To be major general

Brig. Gen. Anders B. Aadland, 1667

The following named officer for appointment in the United States Army to the grade indicated under title 10, U.S.C., section 624:

To be major general

Brig. Gen. John T.D. Casey, 8752

The following named officer for appointment in the United States Army to the grade indicated under title 10, U.S.C., section 624:

To be major general

Brig. Gen. Hans A. Van Winkle, 8718

The following named officer for appointment in the United States Marine Corps to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

To be lieutenant general

Maj. Gen. Gary S. McKissock, 8973

(The above nominations were reported with the recommendation that they be confirmed.)

Mr. WARNER. Mr. President, for the Committee on Armed Services, I report favorably nomination lists which were printed in the RECORDS of September 23, 1999, September 27, 1999 and October 12, 1999, and ask unanimous consent, to save the expense of reprinting on the Executive Calendar, that these nominations lie at the Secretary's desk for the information of Senators.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The nominations ordered to lie on the Secretary's desk were printed in the RECORDS of September 23, 1999, September 27, 1999 and October 12, 1999, at the end of the Senate proceedings.)

In the Army, two nominations beginning Robert E. Wegmann, and ending Sandra K. James, which nominations were received by the Senate and appeared in the Congressional Record of September 23, 1999.

In the Army, three nominations beginning John H. Belser, Jr., and ending Thomas R. Shepard, which nominations were received by the Senate and appeared in the Congressional Record of September 23, 1999.

In the Army, three nominations beginning *Kathleen David-bajar, and ending Dean C. Pedersen, which nominations were received by the Senate and appeared in the Congressional Record of September 23, 1999.

In the Marine Corps, one nomination of Wendell A. Porth, which was received by the Senate and appeared in the Congressional Record of September 23, 1999.

In the Navy, 292 nominations beginning Robert C. Adams, and ending Daniel L. Zimmer, which nominations were received by the Senate and appeared in the Congressional Record of September 27, 1999.

In the Air Force, three nominations beginning Edwin C. Schilling, III, and ending Celinda L. Van Maren, which nominations were received by the Senate and appeared in the Congressional Record of October 12, 1999.

In the Air Force, one nomination of Ronald J. Boomer, which was received by the Senate and appeared in the Congressional Record of October 12, 1999.

In the Army, seven nominations beginning Gary A. Benford, and ending Kenneth A. Younkin, which nominations were received by the Senate and appeared in the Congressional Record of October 12, 1999.

In the Army, seven nominations beginning David A. Couchman, and ending Charles R. Nessmith, which nominations were received by the Senate and appeared in the Congressional Record of October 12, 1999.

In the Army, nine nominations beginning Rex H. Cray, and ending Lawrence A. West, which nominations were received by the Senate and appeared in the Congressional Record of October 12, 1999.

In the Army, 1510 nominations beginning *David M. Abbinanti, and ending X379, which nominations were received by the Senate and appeared in the Congressional Record of October 12, 1999.

In the Marine Corps, one nomination of Fredric M. Olson, which was received by the Senate and appeared in the Congressional Record of October 12, 1999.

By Mr. HATCH, from the Committee on the Judiciary:

John W. Marshall, of Virginia, to be Director of the United States Marshals Service.

(The above nomination was reported with the recommendation that he be confirmed.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. HAGEL (for himself, Mr. ABRAHAM, Mr. DEWINE, Mr. GORTON, Mr. KERREY, Ms. LANDRIEU, and Mr. THOMAS):

S. 1816. A bill to amend the Federal Election Campaign Act of 1971 to provide meaningful campaign finance reform through requiring better reporting, decreasing the role of soft money, and increasing individual contribution limits, and for other purposes; to the Committee on Rules and Administration.

By Mr. GRAMS:

S. 1817. A bill to validate a conveyance of certain lands located in Carlton County, Minnesota, and to provide for the compensation of certain original heirs; to the Committee on Energy and Natural Resources.

By Mr. SCHUMER:

S. 1818. A bill to amend title II of the Elementary and Secondary Education Act of 1965 to provide grants for master teacher programs; to the Committee on Health, Education, Labor, and Pensions.

By Mr. SCHUMER:

S. 1819. A bill to amend title II of the Elementary and Secondary Education Act of 1965 to provide grants for mentor teacher programs; to the Committee on Health, Education, Labor, and Pensions.

By Mr. KERRY:

S. 1820. A bill to amend the Internal Revenue Code of 1986 to exclude national service educational awards from the recipient's gross income; to the Committee on Finance.

By Mr. REED (for himself and Mr. TORRICELLI):

S. 1821. A bill to authorize the United States to recover from a third party the value of any housing, education, or medical care or treatment furnished or paid for by the United States and provided to any victim of lead poisoning; to the Committee on the Judiciary.

By Mr. MCCAIN (for himself and Ms. SNOWE):

S. 1822. A bill to amend the Public Health Service Act, the Employee Retirement Income Security Act of 1974, and the Internal Revenue Code of 1986 to require that group and individual health insurance coverage and group health plans provide coverage for treatment of a minor child's congenital or developmental deformity or disorder due to trauma, infection, tumor, or disease; to the Committee on Finance.

By Mr. DEWINE (for himself, Mrs. MURRAY, Mr. ABRAHAM, and Mr. DODD):

S. 1823. A bill to revise and extend the Safe and Drug-Free Schools and Communities Act of 1994; to the Committee on Health, Education, Labor, and Pensions.

By Mr. BREAUX (for himself and Mr. GORTON):

S. 1824. A bill to amend the Communications Act of 1934 to enhance the efficient use of spectrum by non-federal government users; to the Committee on Commerce, Science, and Transportation.

By Mr. ROCKEFELLER:

S. 1825. A bill to empower telephone consumers, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. MURKOWSKI:

S. 1826. A bill to provide grants to the State of Alaska for the purpose of assisting that State in fulfilling its responsibilities under sections 803, 804, and 805 of the Alaska National Interest Lands Conservation Act, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. GRAHAM:

S. 1827. A bill to provide funds to assist high-poverty school districts meet their teaching needs; to the Committee on Health, Education, Labor, and Pensions.

By Mr. MOYNIHAN (by request):

S. 1828. A bill to protect and provide resources for the Social Security System, to reserve surpluses to protect, strengthen and modernize the Medicare Program, and for other purposes; to the Committee on Finance.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. ROTH (for himself, Mr. LUGAR, Mr. BIDEN, Mr. KYL, Mr. HAGEL, Mr. SMITH of Oregon, Mr. LIEBERMAN, and Mr. HELMS):

S. Res. 208. A resolution expressing the sense of the Senate regarding United States policy toward the North Atlantic Treaty Organization and the European Union, in light of the Alliance's April 1999 Washington Summit and the European Union's June 1999 Cologne Summit; to the Committee on Foreign Relations.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. HAGEL (for himself, Mr. ABRAHAM, Mr. DEWINE, Mr. GORTON, Mr. KERREY, Ms. LANDRIEU, and Mr. THOMAS):

S. 1816. A bill to amend the Federal Election Campaign Act of 1971 to provide meaningful campaign finance reform through requiring better reporting, decreasing the role of soft money, and increasing individual contribution limits, and for other purposes; to the Committee on Rules and Administration.

THE OPEN AND ACCOUNTABLE CAMPAIGN FINANCING ACT OF 2000

● Mr. HAGEL. Mr. President, today I join several of my colleagues in introducing the ''Open and Accountable Campaign Financing Act of 2000.'' This bill increases disclosure requirements on campaign contributions and political broadcast advertisements. It also caps ''soft money'' contributions to political party committees at $60,000 and adjusts individual contribution limits for inflation. I am pleased that the following Senators have joined me today in offering this bill: SPENCER ABRAHAM (R-MI), MIKE DEWINE (R-OH), SLADE GORTON (R-WA), BOB KERREY (D-NE), MARY LANDRIEU (D-LA) and CRAIG THOMAS (R-WY).

Changing the way federal campaigns are financed is inevitable, the American people will demand it. At some point, the Senate will have a full and open debate on how best to reform our campaign finance system. I was disappointed that floor procedures prevented us from doing so last week, because several of us had intended to offer amendments to the McCain-Feingold legislation.

My colleagues and I introduce this bill today as a bipartisan alternative in what has been a very polarized debate. If we are ever to move forward on this issue, we will need to look at a variety of ways to reform the campaign finance system. This bill is a combination of ideas offered by myself and a number of my colleagues. Several specific provisions in this bill have widespread support by both Republicans and Democrats, and, I believe, can form a base from which consensus can build.

Confidence in our political system is the essence of representative government. This begins with an open and accountable campaign financing system. We need to rise above partisan, ideological and personal rivalries, and find common ground on campaign finance reform.

There are several elements that must be part of any reform of our campaign finance system. One of the most important is increased disclosure for all who participate in the political process. We should not fear an educated and informed body politic. If individuals and organizations are going to participate in the election process, their participation must be revealed to the public.

To provide for fuller disclosure, this bill increases the financial reporting requirements for candidates and political parties. This legislation also takes the rules on broadcast ads that apply to candidates and extends them to all political broadcast ads. Under current federal regulations, when a candidate buys a political ad, the broadcaster is required to place information on the ad in a file that is open to the public. This includes a record of the times the spots are scheduled to air, the overall amount of time purchased and at what rates, and the names of the officers of the organization placing the ad. Under current federal regulations, when an interest group places a political ad with a broadcaster, it does not have to meet all of these requirements. This bill requires that interest-group ads related to any federal candidate or issue go into the broadcaster's public file. There would be no added burden on the broadcaster. The broadcaster would simply use the same form already used for candidate and party ads. Let me make clear one thing the bill does not do. It does not require organizations to identify individual donors or provide membership lists. It preserves a reasonable balance between the public's right to know which groups are attempting to influence an election, and the privacy rights of individual donors.

In addition to disclosure, we need to look at soft money contributions to national party committees. Most constitutional experts say that an outright ban on soft money would be unconstitutional. But this unaccountable, unlimited flood of soft money cascading over America's politics must be stopped. We need to find a middle ground between the extremes of banning soft money and leaving it unrestricted. This bill limits soft money contributions to national party committees to $60,000. This is not a ban on financial support of parties. It is a return to the original intent of the campaign finance reforms of the 1970s, which worked well until they were exploited and abused.

We also need to increase the ability of individuals to participate in the most accountable method of campaign financing. This bill adjusts and indexes contributions to inflation and indexes them for further years. For an individual, contribution limits would increase from $1,000 to $3,000 per candidate, per election. I've heard the argument that raising these limits would give the wealthy too much influence and access. If we cap or eliminate soft money and do not adjust the hard-money limits, we will chase more money into the black hole of third-party ads, where the public cannot view the flow of money. I want to bring more of that money into the sunlight where the American people have access to who is giving money and how much.

We have a great opportunity to restore some of the confidence the American people have lost in their political system. Improving our system that selects America's leaders—who formulate and implement the policies that govern our Nation—is a worthy challenge.●

● Mr. KERREY. Mr. President, today I would like to express my support for ''The Open and Accountable Campaign Financing Act of 1999,'' which would provide this country with much needed campaign finance reform. Our Constitution lays out the requirements for someone running for office. In order to run for the Senate, the Constitution tells us that there are three requirements: you must be at least 30 years old; you must have been a U.S. citizen for nine years; and you must be a resident of the state you wish to represent.

What the Constitution doesn't tell you about is a fourth requirement: you must have an awful lot of money, or at least know how to raise it. The Constitution doesn't tell you this because when the framers drafted the Constitution, they could not have imagined the ridiculously large amounts of time and money one must spend today if he or she wants to be elected to office.

We need to change the law to give power back to working families, restore their faith in the process, and make democracy work. That's why I have been an avid supporter of the McCain-Feingold bill and the Shays-Meehan bill that recently passed the House, and that's why I am now a cosponsor of Senator HAGEL's bill.

Earlier this month, the Senate debated the McCain-Feingold bill. This year's version was a stripped down version of the McCain-Feingold bills we've debated, and I have supported, in years past. Although I prefer the more comprehensive House passed Shays-Meehan bill, I understood Senators MCCAIN and FEINGOLD'S decision to purposefully strip down their bill. They knew the realities of the vote count in the Senate. We didn't have the votes to pass anything more comprehensive, so they introduced a ''barebones'' bill which essentially did one simple thing: ban soft money.

Unfortunately, the bill was pulled from the floor after a vote showing McCain-Feingold still didn't have the votes to pass. The good news is we picked up one vote; the bad news is we still haven't passed a campaign finance reform bill. We made progress. That is why it is important to not let this issue die on the back burner. That is why I am joining in Senator HAGEL's effort to keep this issue alive.

Currently, soft money is uncapped and unregulated—corporations, unions and wealthy individuals can contribute unlimited amounts of soft money. Senator HAGEL's bill would cap soft money at $60,000. Although I prefer a complete ban, it is clear the Senate is a few votes short of passing this ban. Senator HAGEL's new approach just might be the compromise that can muster enough votes to pass the Senate. Let me be clear—while I prefer much more comprehensive reform of our campaign financing system—I do believe Senator HAGEL's proposal is a step in the right direction. This bill, with its cap on soft money and tightening of disclosure requirements, would be a good beginning.

The American people are frustrated with the millions of dollars they see poured into campaigns. They are frustrated with out tendency to talk instead of act. I am hopeful this bill can

help make that happen. In fact I want to applaud my friend, Senator HAGEL for his efforts, and urge our colleagues to support this bill.●

By Mr. KERRY:

S. 1820. A bill to amend the Internal Revenue Code of 1986 to exclude national service educational awards from the recipient's gross income; to the Committee on Finance.

AMERICORPS SCHOLARSHIP FAIRNESS ACT

Mr. KERRY. Mr. President, I rise today to introduce legislation on behalf of thousands dedicated volunteers around the country. The legislation I am offering addresses an inequity in the tax code that adversely affects AmeriCorps volunteers. I urge my colleagues to pass it immediately.

Since 1994, in 4,000 communities across the country, AmeriCorps participants have tutored and mentored more than 4 million children, developed after-school programs for over one million young people, and helped build more than 11,000 homes. Their dedication and commitment are a tribute to the American tradition of public service. Currently, at the conclusion of 1,700 hours of service, AmeriCorps members receive an education award of $4,725. The award may be used by former volunteers to pay for tuition expenses or the repayment of student loans.

Under long-established tax law, scholarships and grants are excludable from income. However, because the AmeriCorps awards are considered to represent payment for services rendered, they must be included in taxable income at the end of the year. This tax treatment creates a significant hardship for former volunteers. Because AmeriCorps education awards are sent directly to the loan agency or educational institution, they do not represent income from which a portion may be reserved by the beneficiary for the payment of tax. After serving in AmeriCorps, many former volunteers work part-time to pay for college, and the education award pushes their income above the standard income tax deduction, creating tax liability for an individual with little means to pay for it.

Mr. President, allow me to illustrate. Maleah Thorpe of Sunderland, Massachusetts, is a two-year AmeriCorps participant. Most recently, Maleah served as a volunteer with Massachusetts Campus Compact. The Massachusetts Campus Compact coordinates formal and informal assistance for students, staff, and faculty in the areas of: America Reads and early childhood literacy initiatives, America Counts and math education initiatives, and other Campus and community partnerships. Maleah's service has benefited our community and our country, while at the same time, has provided a rewarding personal experience.

Listen to what Maleah has to say about AmeriCorps:

My experiences with AmeriCorps have been life-changing, introducing me to so many opportunities and a new appreciation of both the diversity and strength of people in our nation. I consider myself fortunate and am thankful that I will have not one, but two educational awards should I need to use them. However, I am at the same time dreading the out-of-pocket expense that will accompany their use * * *. Although I was anxious to use the educational award earned during my first year of service to reduce my undergraduate loan debt, the cost of paying taxes on the amount has prohibited me from doing so.

When I entered AmeriCorps two years ago, I did so for the service. I also anticipated that approximately 75 percent of my undergraduate loan debt would be paid within three years of graduation, something that helped justify the financial cost of living on only the minimal stipend. Instead, I will enter graduate school in the fall, my undergraduate loans will continue to accrue interest and I will likely acquire additional loans to cover some expenses because I can simply not afford to use and pay taxes on my educational awards while I am a student.

I know that I am not alone in this predicament. Many alumni with whom I served are either students or completing additional years of service, solely responsible for educational and living expenses. Many of us do not have additional income to pay taxes on the educational awards nor the ability to ask friends or relatives to assist us.

I have given two years to serve my fellow citizens of the nation and the Commonwealth and would never give up those experiences. However, I should not now be punished for this choice by the burden of additional taxes.

Similar situations arise with other programs. Congress has recognized these inequities and acted to address them. For example, this summer's Taxpayer Refund and Relief Act would have specifically provided that scholarships received through the National Health Service Corps, the Armed Forces Health Professions program, and the National Institutes of Health Undergraduate program are tax exempt. Let's do the same for the thousands of volunteers who, through the AmeriCorps program, give up two years of their lives to make a difference in communities across our nation.

The AmeriCorps Scholarship Fairness Act clarifies that AmeriCorps education awards should receive the same tax treatment as a traditional college scholarship. Under the proposal, amounts received by an individual as part of a national service education award would be eligible for tax-free treatment as a qualified scholarship under section 117 of the tax code, without regard to the fact that the recipient of the scholarship has provided services as a condition for receiving the scholarship. The Joint Tax Committee estimates the cost in lost revenue would be $2 million the first year, $15 million over five years, and $32 million over ten years.

The government should cherish, not punish, volunteerism and public service. I hope my colleagues will join me in enacting this simple but meaningful legislation.

Mr. President, I ask unanimous consent that the text of the bill and three letters from Massachusetts constituents be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1820

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. EXCLUSION OF NATIONAL SERVICE EDUCATIONAL AWARDS.

(a) IN GENERAL.—Section 117 of the Internal Revenue Code of 1986 (relating to qualified scholarships) is amended by adding at the end the following:

''(e) QUALIFIED NATIONAL SERVICE EDUCATIONAL AWARDS.—

''(1) IN GENERAL.—Gross income for any taxable year shall not include any qualified national service educational award.

''(2) QUALIFIED NATIONAL SERVICE EDUCATIONAL AWARD.—For purposes of this subsection—

''(A) IN GENERAL.—The term 'qualified national service educational award' means any amount received by an individual in a taxable year as a national service educational award under section 148 of the National and Community Service Act of 1990 (42 U.S.C. 12604) to the extent (except as provided in subparagraph (C)) such amount does not exceed the qualified tuition and related expenses (as defined in subsection (b)(2)) of the individual for such taxable year.

''(B) DETERMINATION OF EXPENSES.—The total amount of the qualified tuition and related expenses (as so defined) which may be taken into account under subparagraph (A) with respect to an individual for the taxable year shall be reduced (after the application of the reduction provided in section 25A(g)(2)) by the amount of such expenses which were taken into account in determining the credit allowed to the taxpayer or any other person under section 25A with respect to such expenses.

''(C) EXCEPTION TO LIMITATION.—The limitation under subparagraph (A) shall not apply to any portion of a national service educational award used by such individual to repay any student loan described in section 148(a)(1) of such Act or to pay any interest expense described in section 148(a)(4) of such Act.''

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to amounts received in taxable years beginning after December 31, 1999.

AMERICORPS,

Sunderland, MA, July 20, 1999.

Senator JOHN KERRY,

Russell Senate Office Building, Washington, DC.

DEAR SENATOR KERRY, My name is Maleah Thorpe. I am a two year alumna of AmeriCorps, serving with City Year Rhode Island (1997—98) and most recently as a VISTA with Massachusetts Campus Compact (1998–99) working at the University of Massachusetts at Amherst.

My experiences with AmeriCorps have been life-changing, introducing me to so many opportunities and a new appreciation of both the diversity and strength of people in our nation. These past two years have left an immeasurable impact on my life, changed my perspective on many things, and even altered

my future plans; in September I will begin graduate studies at UMass Amherst.

I consider myself fortunate and am thankful that I will have not one, but two, Educational Awards should I need to use them. However, I am at the same time dreading the out-of-pocket expense that will accompany their use. I had a small preview of what is to come last December when I used my Interest Payment option from my first year of AmeriCorps service. For choosing to use this ''benefit'' of $543, I was required to pay an unexpected $120 in state and (mostly) federal taxes. While this may seem like a small sum, I assure you that it is not to someone living on a VISTA stipend where every penny is accounted for to cover basic living expenses.

Although I was anxious to use the Educational Award earned during my first year of service to reduce my undergraduate loan debt, the cost of paying taxes on the amount has prohibited me from doing so.

When I entered AmeriCorps two years ago, I did so for the service. I also anticipated that approximately 75% of my undergraduate loan debt would be paid within three years of graduation, something that helped justify the financial cost of living on only the minimal stipend. Instead, I will enter graduate school in the fall, my undergraduate loans will continue to accrue interest and I will likely acquire additional loans to cover some expenses because I can simply not afford to use and pay taxes on my Educational Awards while I am a student.

I know that I am not alone in this predicament. Many alumni with whom I served are either students or completing additional years of service, solely responsible for educational and living expenses. Many of us do not have additional income to pay taxes on the Educational Awards nor the ability to ask friends or relatives to assist us.

I have given two years to serve my fellow citizens of the nation and the Commonwealth and would never give up those experiences. However, I should not now be punished for this choice by the burden of additional taxes. As a citizen of the Commonwealth and on behalf of those who have served and will serve in the future, I ask that you work to remove this burden of taxation of the AmeriCorps Educational Awards.

Thank you for your time and efforts.

Sincerely,

MALEAH F. THORPE.

Ware, MA, July 19, 1999.

TO WHOM IT MAY CONCERN: My name is Jamie Rutherford and I am a resident of Ware, Massachusetts. Following graduation from the University of Hartford in 1996, I entered the AmeriCorps National Civilian Community Corps. I served two 10-month terms in the program, 1996—97 in Denver, CO, and 1997–98 in Charleston, SC.

My motivation for joining AmeriCorps included my desire to travel, to learn new skills, to lend myself to the community, and to earn an educational award that I would be able to apply toward my substantial student loans. I greatly enjoyed my experience the first year in Denver, and had very little difficulty deciding to reapply for a second year in South Carolina. Over those two years I took part in fourteen separate projects pertaining to the environment, education, public safety, and unmet human needs. I traveled to nine states and enjoyed experiences ranging from inner city tutoring, to midwestern trailbuilding, to even Gulf Coast erosion control.

My experiences in AmeriCorps were wonderful, and have instilled in me a great appreciation for national service. I did, however, face several daunting challenges during my term of service. The most difficult challenges usually involved personal finance. The living stipend provided to us was minimal, and it was often quite difficult to get by on such meager funds. We did receive additional allotments for food and travel, however, and got by as well as possible. Upon completion of my first year in Denver, I applied my first award to my student loan provider here in Massachusetts. The greatest challenge for me came with the taxation of that award during my second term in South Carolina. When I discovered that I owed $350 to the Internal Revenue Service due to the taxation of the award, I was forced to go on a monthly payment plan during that second term. This was very difficult for me considering our minimal living stipend. I could not then and cannot now understand why the award was taxable as such, or why the taxed amount could not at least be subtracted from the $4,725 award initially.

Nearly a year after completing my second term and receiving my second award, I still maintain the $4,725 balance of that award. My current finances greatly necessitate the utilization of the award toward my substantial student loan bills. Nevertheless, I am reluctant to do so due to uncertainty for my future financial viability. I fear that I will not be able to afford another heavy taxation. Though the award seems to be so beneficial, it threatens to actually be somewhat detrimental to me.

My hope and request is that this taxation be abolished. It simply does not seem reasonable that young people devoting themselves to the improvement of our country should be so unjustly penalized. I greatly support AmeriCorps and all the good that it represents. I only wish that this one matter would be reconsidered in order to lift the gray cloud that has fallen over my memories of two wonderful years of national service.

Thank you.

JAMES E. RUTHERFORD.

Jamaica Plain, MA, July 20, 1999.

DEAR SENATOR: My name is Brendan Miller and I am an alumnus of AmeriCorps. I served two years, one with the Northwest Service Academy in Oregon and one with City Year in South Carolina as an AmeriCorps Leader. My AmeriCorps experience changed my life and set me on a path of public service that I now know is my calling.

I currently live in Boston, Massachusetts. As a supporter of AmeriCorps you surely know a benefit of the AmeriCorps experience is the Education Award that is granted at the end of one's service. I used approximately $6,000 of this award in January to pay off my loans from college. Unfortunately, the Ed Award is considered income for tax purposes, so I will be burdened with significantly higher taxes this year. In fact, I chose not to use my whole Award this year in order to split the tax burden between two years. If I had used the entire Award this year, my financial situation would surely have prevented me from meeting this tax without significant hardship.

I am working for the Boston Plan for Excellence in Education, which is a non-profit that is seeking to encourage lasting school reform in the Boston schools. Although I receive great satisfaction from this work, it does not pay that well. Since my AmeriCorps experience, I have committed myself to doing work that I feel is really making a difference, but this also means living on a tighter budget.

I know many of my friends in service have also made similar commitments to a life of service. However, our resolve can be tested by the need to pay our bills. As a graduate of Brown University with a degree in Computer Science, I could be making significantly more money in the for-profit sector, and I am often tempted to break my commitment to a life of service.

As a supporter of AmeriCorps and national service, I know you want to make it easy as possible for America's citizens to serve their country. I ask you to remove the tax on Education Awards to take a giant step forward in this effort.

Please don't hesitate to contact me if you have any additional questions. I look forward to hearing of your leadership on this issue.

Sincerely,

BRENDAN MILLER.

By Mr. REED (for himself and Mr. TORRICELLI):

S. 1821. A bill to authorize the United States to recover from a third party the value of any housing, education, or medical care or treatment furnished or paid for by the United States and provided to any victim of lead poisoning; to the Committee on the Judiciary.

THE LEAD POISONING EXPENSE RECOVERY ACT OF 1999

Mr. REED. Mr. President, I rise today to introduce legislation with my colleague Senator TORRICELLI that would give the federal government clear authority to recover from the manufacturers of lead-based paint, funds spent on the prevention and treatment of childhood lead poisoning.

Our knowledge of lead poisoning dates back to 200 BC, when the Greek physician Galen wrote ''lead makes the mind give way.'' Benjamin Franklin knew about ''the mischievous effects of lead'' back when he wrote those words in 1786. In the late 19th century, scientific studies and medical reports began detailing the effects of lead on children. And by 1904, the source of those poisonings was identified as white lead paint used in housing. Queensland, Australia, was the first to ban certain applications of lead-based paint in 1922. Austria, Belgium, Bulgaria, Chile, Czechoslovakia, Estonia, France, Latvia, Poland, Romania, Spain, and Sweden followed suit in the mid-1920's. In 1978, more than a half of a century later, lead-based paint was banned in the United States.

Today, nearly one million preschoolers nationwide have excessive levels of lead in their blood; making lead poisoning the leading environmental health disease among children. Even low levels of lead exposure can cause serious injury to the developing brain and nervous system of children, lost IQ points, learning and reading disabilities, hyperactivity, and aggressive or delinquent behavior. At high levels of exposure, lead causes mental retardation, coma, convulsions and even death.

Lead-based paint in housing is the major remaining source of exposure

and is responsible for most cases of childhood lead poisoning. Children contract lead poisoning when they come into contact with lead-based paint chips, contaminated soil, or dust generated from deteriorated paint. An estimated three million tons of lead still coats the walls and woodwork of American homes. Approximately half of America's housing stock, roughly 64 million units contain some lead-based paint. Twenty million of which are considered hazardous because they contain paint which is peeling, cracked, or chipped. My home state of Rhode Island has the fifth oldest housing stock in the country, and, as a result, has a lead poisoning rate that is three times the national average.

Sadly, this disease is particularly prevalent in those communities with the fewest resources to address the problem. Poor children are eight times more likely than kids from moderate and upper income families to contract lead poisoning. Yet, while lead poisoning is most prevalent in low-income communities, 20–25 percent of children who are poisoned live in middle- or upper-income homes. They were poisoned by exposure to lead released through renovation or repainting activities.

Taxpayers have already paid billions of dollars to deal with the tragic consequences of childhood lead exposure, including large expenditures for medical care, special education, and lead abatement in housing. However, what has been spent so far is barely a drop in the bucket. In Rhode Island alone, we are looking at a bill of $300 million to clean up just the most dangerous housing units. There are simply not enough grant or loan programs available. Last year, one federal lead abatement program had to turn down nine applicants for every grant it made.

Each year, we fight to make childhood lead poisoning a priority in Congress, in State legislatures, in cities, and in communities, knowing that the real solution is getting rid of the source of a child's exposure. At the same time we are frightfully aware that it could be decades longer, and millions of poisoned children later, until we finally ''get the lead out.''

The Rhode Island Attorney General recently filed a 10-count lawsuit against the manufacturers of lead paint and the industry's trade association. The lawsuit documents nearly a century-long record of industry culpability. The lead industry aggressively marketed its product as safe, despite knowledge of its harmful effects that were made apparent by continuous warnings from the medical community. To date, an industry that has over $30 billion in assets has yet to make a significant contribution to addressing the problems associated with its product.

Clearly, victims of lead poisoning were never given a chance, not even a warning. Parents were never told that the product they used to beautify their home could prevent their children from achieving their fullest potential. Instead, the industry fought regulations in California, New York, and Maryland that would have banned the use of lead-based paint or required the product to be labeled as poisonous. In 1954, the Board of Health of New York City proposed a sanitary code provision banning the sale of paints containing more than 1 percent lead, and requiring lead paint to be labeled as ''poisonous'' and not for interior use. The lead industry opposed the proposal as ''unnecessary and unjustified'' and unduly burdensome. Ultimately, the New York City Board of Health dropped the proposed ban of lead paint in 1955, and adopted a more narrow warning label requirement. This is only one example from an extensive record of industry wrongdoing which I believe the federal government should have the authority to address.

That is why Senator TORRICELLI and I are introducing legislation that will ensure that justice is served. Our legislation provides clear authority for the Federal government to recover the significant resources it has expended to mitigate childhood lead poisoning. This includes dollars spent on medical care and treatment, special education, and funds spent to make homes lead-safe for children. As cities and states stand up and say enough is enough, it is only appropriate for the federal government to join them in the effort to hold the industry responsible. The severity of childhood lead poisoning and the considerable expense borne by taxpayers to clean up the industry's mess demands action now. I urge my Senate colleagues to join me in supporting this legislation so that we can move aggressively towards our goal to end childhood lead poisoning. I ask unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1821

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Lead Poisoning Expense Recovery Act of 1999''.

SEC. 2. FINDINGS.

Congress finds the following:

(1) Lead poisoning is the number 1 environmental health threat to young children, affecting an estimated 890,000 children.

(2) Most children are poisoned in their homes through exposure to lead particles when lead-based paint deteriorates or is disturbed during home renovation or repainting.

(3) Lead paint remains in almost ⅔ of the housing stock of the United States.

(4) Lead poisoning may cause serious, long-term harm to children, including reduced intelligence and attention span, behavior problems, learning disabilities, and impaired growth.

(5) Research shows that children with elevated levels of lead in their blood are 7 times more likely to drop out of high school than children without elevated blood-lead levels.

(6) Children from low-income families are 8 times more likely to be poisoned by lead than children from high-income families.

(7) African-American children are 5 times more likely to be poisoned by lead than white children.

SEC. 3. SUITS BY THE UNITED STATES AUTHORIZED.

(a) IN GENERAL.—In any case in which the United States is authorized or required to furnish housing, education, or medical care or treatment to an individual who suffers from or is at risk of lead poisoning (or to pay for the housing, education, or medical care or treatment of such an individual) under circumstances creating liability upon any third party, the United States shall have the right to recover (independent of the rights of the injured or diseased individual) the value of the housing (including the cost of lead hazard evaluation and control), education, or medical care or treatment furnished or paid for by the United States before, on, or after the date of enactment of this Act.

(b) AMOUNTS RECOVERED.—Any amount recovered by the United States under subsection (a) shall be available, subject to authorization and appropriations Acts, to enhance childhood lead poisoning prevention and treatment activities, including lead hazard evaluation and control.

(c) THIRD PARTY DEFINED.—In this section, the term ''third party'' means any manufacturer of lead or lead compound for use in paint or any trade association that represents such a manufacturer.

(d) STATUTE OF LIMITATIONS.—No action may be brought under this section more than 6 years after the later of—

(1) the date of enactment of this Act; or

(2) the date on which the United States incurs the expense.

By Mr. MCCAIN (for himself and Ms. SNOWE):

S. 1822. A bill to amend the Public Health Service Act, the Employee Retirement Income Security Act of 1974, and the Internal Revenue Code of 1986 to require that group and individual health insurance coverage and group health plans provide coverage for treatment of a minor child's congenital or developmental deformity or disorder due to trauma, infection, tumor, or disease; to the Committee on Finance.

TREATMENT OF CHILDREN'S DEFORMITIES ACT OF 1999

● Mr. MCCAIN. MR. PRESIDENT, TODAY I AM INTRODUCING LEGISLATION WITH MY COLLEAGUE, SENATOR SNOWE, to address the growing problem of HMOs denying insurance coverage for reconstructive surgery for children suffering from physical defects and deformities. This legislation would require medical plans to cover the medical procedures to reconstruct a child's appearance if they are born with abnormal structures of the body, including a cleft lip or palate.

Today, approximately seven percent of American children are born with pediatric deformities and congenital defects such as cleft lip, cleft palate, missing limbs including ears, and other

facial deformities. Unfortunately, it has become commonplace for insurance companies to label reconstructive procedures to correct these deformities as cosmetic surgery and deny coverage to help these children eradicate or reduce deformities and acquire a normal appearance.

A recent survey of the American Society of Plastic and Reconstructive Surgeons indicated that over half the plastic surgeons questioned have had a pediatric patient in the last two years who has been denied, or experienced tremendous difficulty in obtaining, insurance coverage for reconstructive surgery.

It is disgraceful that many insurance companies claim that medical services to restore to a child some semblance of a normal appearance are superfluous and merely for vanity or cosmetic purposes. My colleagues may be wondering how such a ludicrous and cruel argument can be made when these procedures are clearly reconstructive in nature. Helping a child born without ears or with a cleft so severe it extends to her hairline is not cosmetic surgery.

The medical and developmental complications arise from these conditions are tremendous. Speech impediments, hearing difficulties and dental problems are a few of the physical side effects resulting from a child's physical deformity. In addition, the effect of a child's deformities on their personal development, confidence, and self-esteem and their future aspirations and achievements, is often very far reaching.

A healthy self image is vitally important to develop self esteem and confidence. How people see themselves, and how others see them, helps determine how a person feels about himself and whether he has the strength to cope with difficult challenges, including the taunting of peers and disengagement from school activities. As parents, we want our children to be armed with a healthy self esteem and confidence. The best way to guarantee that happens is to help them develop a strong and healthy self image.

At the same time, I recognize that we live in a society which places a high value on physical beauty and often unfairly uses it to measure a person's worth, ability or potential in society. It is unrealistic not to recognize the unfair obstacles facing children born with deformities if they are not provided access to medical services to help them attain a more normal physical appearance.

Some of my colleagues may know that my daughter, Bridget, whom Cindy and I adopted from Mother Theresa's orphanage in Bangladesh, was born with a severe cleft. We are fortunate to have had the means and opportunities to provide the expert medical care necessary to help Bridget physically and emotionally. However, we, too, encountered numerous obstacles and denials by our insurance providers who did not believe that Bridget's medical treatment was necessary. Fortunately, Cindy and I were able to afford the reconstructive services Bridget needed, despite denials by our health plan. Most hard-working American families are not so fortunate. That is why I am introducing this important bill to assist all American children.

This is not a new mandate that could cause health care premiums to escalate. What I am proposing simply prohibits plans from frivolously ruling that substantial, medically needed reconstructive surgeon for children to obtain a relatively normal appearance is cosmetic and refusing to pay for the procedures. This bill ensures that all children are afforded an opportunity to lead a more normal life and realize their full potential.

Mr. President, I ask that the text of the bill be printed in the RECORD.

The bill follows:

S. 1822

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Treatment of Children's Deformities Act of 1999''.

SEC. 2. COVERAGE OF MINOR CHILD'S CONGENITAL OR DEVELOPMENTAL DEFORMITY OR DISORDER.

(a) GROUP HEALTH PLANS.—

(1) PUBLIC HEALTH SERVICE ACT AMENDMENTS.—

(A) IN GENERAL.—Subpart 2 of part A of title XXVII of the Public Health Service Act (42 U.S.C. 300gg–4 et seq.) is amended by adding at the end the following new section:

''SEC. 2707. STANDARDS RELATING TO BENEFITS FOR MINOR CHILD'S CONGENITAL OR DEVELOPMENTAL DEFORMITY OR DISORDER.

''(a) REQUIREMENTS FOR RECONSTRUCTIVE SURGERY.—

''(1) IN GENERAL.—A group health plan, and a health insurance issuer offering group health insurance coverage, that provides coverage for surgical benefits shall provide coverage for outpatient and inpatient diagnosis and treatment of a minor child's congenital or developmental deformity, disease, or injury. A minor child shall include any individual up to 21 years of age.

''(2) REQUIREMENTS.—Any coverage provided under paragraph (1) shall be subject to pre-authorization or pre-certification as required by the plan or issuer, and such coverage shall include any surgical treatment which, in the opinion of the treating physician, is medically necessary to approximate a normal appearance.

''(3) TREATMENT DEFINED.—

''(A) IN GENERAL.—In this section, the term 'treatment' includes reconstructive surgical procedures (procedures that are generally performed to improve function, but may also be performed to approximate a normal appearance) that are performed on abnormal structures of the body caused by congenital defects, developmental abnormalities, trauma, infection, tumors, or disease, including—

''(i) procedures that do not materially affect the function of the body part being treated; and

''(ii) procedures for secondary conditions and follow-up treatment.

''(B) EXCEPTION.—Such term does not include cosmetic surgery performed to reshape normal structures of the body to improve appearance or self-esteem.

''(b) NOTICE.—A group health plan under this part shall comply with the notice requirement under section 713(b) of the Employee Retirement Income Security Act of 1974 with respect to the requirements of this section as if such section applied to such plan.''.

(B) CONFORMING AMENDMENT.—Section 2723(c) of the Public Health Service Act (42 U.S.C. 300gg–23(c)) is amended by striking ''section 2704'' and inserting ''sections 2704 and 2707''.

(2) ERISA AMENDMENTS.—

(A) IN GENERAL.—Subpart B of part 7 of subtitle B of title I of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1185 et seq.) is amended by adding at the end the following new section:

''SEC. 714. STANDARDS RELATING TO BENEFITS FOR MINOR CHILD'S CONGENITAL OR DEVELOPMENTAL DEFORMITY OR DISORDER.

''(a) REQUIREMENTS FOR RECONSTRUCTIVE SURGERY.—

''(1) IN GENERAL.—A group health plan, and a health insurance issuer offering group health insurance coverage, that provides coverage for surgical benefits shall provide coverage for outpatient and inpatient diagnosis and treatment of a minor child's congenital or developmental deformity, disease, or injury. A minor child shall include any individual up to 21 years of age.

''(2) REQUIREMENTS.—Any coverage provided under paragraph (1) shall be subject to pre-authorization or pre-certification as required by the plan or issuer, and such coverage shall include any surgical treatment which, in the opinion of the treating physician, is medically necessary to approximate a normal appearance.

''(3) TREATMENT DEFINED.—

''(A) IN GENERAL.—In this section, the term 'treatment' includes reconstructive surgical procedures (procedures that are generally performed to improve function, but may also be performed to approximate a normal appearance) that are performed on abnormal structures of the body caused by congenital defects, developmental abnormalities, trauma, infection, tumors, or disease, including—

''(i) procedures that do not materially affect the function of the body part being treated; and

''(ii) procedures for secondary conditions and follow-up treatment.

''(B) EXCEPTION.—Such term does not include cosmetic surgery performed to reshape normal structures of the body to improve appearance or self-esteem.

''(b) NOTICE UNDER GROUP HEALTH PLAN.—The imposition of the requirements of this section shall be treated as a material modification in the terms of the plan described in section 102(a)(1), for purposes of assuring notice of such requirements under the plan; except that the summary description required to be provided under the last sentence of section 104(b)(1) with respect to such modification shall be provided by not later than 60 days after the first day of the first plan year in which such requirements apply.''.

(B) CONFORMING AMENDMENTS.—

(i) Section 731(c) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1191(c)) is amended by striking ''section 711'' and inserting ''sections 711 and 714''.

(ii) Section 732(a) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1191a(a)) is amended by striking ''section 711'' and inserting ''sections 711 and 714''.

(iii) The table of contents in section 1 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1001) is amended by inserting after the item relating to section 713 the following new item:

''Sec. 714. Standards relating to benefits for minor child's congenital or developmental deformity or disorder.''.

(3) INTERNAL REVENUE CODE AMENDMENTS.—Subchapter B of chapter 100 of the Internal Revenue Code of 1986 is amended—

(A) in the table of sections, by inserting after the item relating to section 9812 the following new item:

''Sec. 9813. Standards relating to benefits for minor child's congenital or developmental deformity or disorder.''; and

(B) by inserting after section 9812 the following:

''SEC. 9813. STANDARDS RELATING TO BENEFITS FOR MINOR CHILD'S CONGENITAL OR DEVELOPMENTAL DEFORMITY OR DISORDER.

''(a) REQUIREMENTS FOR RECONSTRUCTIVE SURGERY.—

''(1) IN GENERAL.—A group health plan, and a health insurance issuer offering group health insurance coverage, that provides coverage for surgical benefits shall provide coverage for outpatient and inpatient diagnosis and treatment of a minor child's congenital or developmental deformity, disease, or injury. A minor child shall include any individual up to 21 years of age.

''(2) REQUIREMENTS.—Any coverage provided under paragraph (1) shall be subject to pre-authorization or pre-certification as required by the plan or issuer, and such coverage shall include any surgical treatment which, in the opinion of the treating physician, is medically necessary to approximate a normal appearance.

''(3) TREATMENT DEFINED.—

''(A) IN GENERAL.—In this section, the term 'treatment' includes reconstructive surgical procedures (procedures that are generally performed to improve function, but may also be performed to approximate a normal appearance) that are performed on abnormal structures of the body caused by congenital defects, developmental abnormalities, trauma, infection, tumors, or disease, including—

''(i) procedures that do not materially affect the function of the body part being treated; and

''(ii) procedures for secondary conditions and follow-up treatment.

''(B) EXCEPTION.—Such term does not include cosmetic surgery performed to reshape normal structures of the body to improve appearance or self-esteem.''.

(b) INDIVIDUAL HEALTH INSURANCE.—

(1) IN GENERAL.—Part B of title XXVII of the Public Health Service Act (42 U.S.C. 300gg–41 et seq.) is amended by inserting after section 2752 the following new section:

''SEC. 2753. STANDARDS RELATING TO BENEFITS FOR MINOR CHILD'S CONGENITAL OR DEVELOPMENTAL DEFORMITY OR DISORDER.

''(a) REQUIREMENTS FOR RECONSTRUCTIVE SURGERY.—

''(1) IN GENERAL.—A group health plan, and a health insurance issuer offering group health insurance coverage, that provides coverage for surgical benefits shall provide coverage for outpatient and inpatient diagnosis and treatment of a minor child's congenital or developmental deformity, disease, or injury. A minor child shall include any individual up to 21 years of age.

''(2) REQUIREMENTS.—Any coverage provided under paragraph (1) shall be subject to pre-authorization or pre-certification as required by the plan or issuer, and such coverage shall include any surgical treatment which, in the opinion of the treating physician, is medically necessary to approximate a normal appearance.

''(3) TREATMENT DEFINED.—

''(A) IN GENERAL.—In this section, the term 'treatment' includes reconstructive surgical procedures (procedures that are generally performed to improve function, but may also be performed to approximate a normal appearance) that are performed on abnormal structures of the body caused by congenital defects, developmental abnormalities, trauma, infection, tumors, or disease, including—

''(i) procedures that do not materially affect the function of the body part being treated; and

''(ii) procedures for secondary conditions and follow-up treatment.

''(B) EXCEPTION.—Such term does not include cosmetic surgery performed to reshape normal structures of the body to improve appearance or self-esteem.

''(b) NOTICE.—A health insurance issuer under this part shall comply with the notice requirement under section 714(b) of the Employee Retirement Income Security Act of 1974 with respect to the requirements referred to in subsection (a) as if such section applied to such issuer and such issuer were a group health plan.''.

(2) CONFORMING AMENDMENT.—Section 2762(b)(2) of the Public Health Service Act (42 U.S.C. 300gg–62(b)(2)) is amended by striking ''section 2751'' and inserting ''sections 2751 and 2753''.

(c) EFFECTIVE DATES.—

(1) GROUP MARKET.—The amendments made by subsection (a) shall apply with respect to group health plans for plan years beginning on or after January 1, 2000.

(2) INDIVIDUAL MARKET.—The amendment made by subsection (b) shall apply with respect to health insurance coverage offered, sold, issued, renewed, in effect, or operated in the individual market on or after such date.

(d) COORDINATED REGULATIONS.—Section 104(1) of Health Insurance Portability and Accountability Act of 1996 is amended by striking ''this subtitle (and the amendments made by this subtitle and section 401)'' and inserting ''the provisions of part 7 of subtitle B of title I of the Employee Retirement Income Security Act of 1974, the provisions of parts A and C of title XXVII of the Public Health Service Act, and chapter 100 of the Internal Revenue Code of 1986''.●

By Mr. DEWINE (for himself, Mrs. MURRAY, Mr. ABRAHAM, and Mr. DODD):

S. 1823. A bill to revise and extend the Safe and Drug-Free Schools and Communities Act of 1994; to the Committee on Health, Education, Labor, and Pensions.

THE SAFE AND DRUG FREE SCHOOL AND COMMUNITIES ACT

Mr. DEWINE. Mr. President, it is no secret that drugs and violence destroy lives and families. They also can destroy entire neighborhoods and communities. More and more, our young people—our children—are being exposed to the evils of drugs and the dangers of violence. That is why I am introducing legislation today, along with my colleagues Senators DODD and MURRAY, that would reauthorize the Safe and Drug Free Schools program.

This program funds a wide range of drug education and prevention activities. Our bill, which was drafted with the assistance of community anti-drug organization representatives, would give states greater flexibility on targeting assistance to schools in need; increase accountability measures to ensure that assistance is targeted to programs that work; and improve coordination of Safe and Drug Free programs with other community-based anti-drug programs.

Mr. President, I have dedicated a great deal of time, both in the House and the Senate, to fighting illegal drug use in this country. Way back in 1990, as a Member of the House of Representatives, I was on the National Commission on Drug Free Schools. From my experience on this Commission, and through my work on drug prevention when I was Lieutenant Governor of Ohio, I learned that school-based prevention efforts must be coordinated and consistent during a child's school years. Programs must not have gaps that leave our children vulnerable to the lure of drugs.

Throughout my efforts, I always have emphasized the importance of a balanced attack against drug use. We must win the fight against people who manufacture and grow drugs, we must put a stop to those who transport illegal drugs into, and through, this country, and we must fight against the dealers who their trade drugs on our streets and yes, even in our schools.

There are many fronts in the important battle against drugs. The Safe and Drug Free Schools program is one area where I think we can improve our efforts. I believe we should continue the Safe and Drug Free Schools Program, but increase the accountability of federally funded programs and focus limited resources on programs that demonstrate an actual reduction in drug use. We must provide parents, schools, and local communities with the resources and flexibility they need to reduce drug use among kids.

Every child deserves to live and go to school in a drug and violence-free community. Our bill helps ensure that our children have this opportunity. Congress first passed the Anti-Drug Abuse Act—the precursor to the Safe and Drug Free Schools and Communities Act—in 1986. This legislation was the product of an aggressive, ambitious, and comprehensive anti-drug effort, which contributed to a 25% overall reduction in adolescent drug use from 1988 to 1992. Unfortunately, over the course of this decade, much of that success was lost. Youth drug use increased dramatically, including an 80% increase in marijuana use by high school seniors, an 80% increase in cocaine use, and a 100% increase in heroin use. We

must reverse this trend. We have an obligation to our kids to reverse this trend.

I believe that our children's disturbing acceptance and experimentation of life-destroying drugs is due in large part to the Administration's national anti-drug strategy, which has been neither balanced nor comprehensive. Reinvesting in an improved Safe and Drug Free Schools and Communities program is a critical part of restoring effectiveness in and purpose to our national drug policy. Our legislation would be a major assault against drugs and violence in our schools and communities, by coordinating school-based programs with the broader community anti-drug effort.

Children spend more time at school than at any single place. A quality education starts with a quality educational environment. Congress can show its commitment to this goal by continuing—and improving—our investment in the Safe and Drug Free Schools and Communities Program. Specifically, our bill would increase the accountability within the program and ensure that only effective, researched-based programs receive federal funding. Also, it would provide States and Governors with greater flexibility in targeting their grants to prevent youth violence and drug use. Each state has unique drug prevention challenges and this bill provides the states with the flexibility to target funds to all of their schools, focus on those schools with the greatest drug/violence problems, or a combination of these two groups.

Our bill would increase community participation in the development and implementation of drug and violence prevention programs. Drug abuse and violence among young people is a community problem and requires a community-based solution. That's why when we drafted this bill, we worked closely with the Community Anti-Drug Coalition of America. Thanks to their input, this bill ensures that the entire community is involved in the creation and execution of programs to fight youth drug abuse and violence. It would maintain a viable program for all schools willing to conduct research-based violence and drug abuse prevention programs.

Mr. President, the threat of violence—and the reality of drug abuse—in our schools are all too real. If we get to our kids before the drug dealers do—if we have a policy of zero tolerance on drugs—America's children have a chance. I believe that the Safe and Drug Free Schools program empowers America's families and teachers with the information, training, and resources they need to help our children resist the temptation of drugs.

Over the coming months, we will be reauthorizing the Elementary and Secondary Education Act. The Safe and Drug Free is an important part of that legislation. I look forward to working on this bill and making this country's schools safer and drug free for our kids.

Mr. President, I ask unanimous consent that the bill be entered into the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1823

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Safe and Drug-Free Schools and Communities Reauthorization Act''.

SEC. 2. AMENDMENT TO THE ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965.

Title IV of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7101 et seq.) is amended to read as follows:

''TITLE IV—SAFE AND DRUG-FREE SCHOOLS AND COMMUNITIES

''SEC. 4001. SHORT TITLE.

''This title may be cited as the 'Safe and Drug-Free Schools and Communities Act of 1994'.

''SEC. 4002. FINDINGS.

''Congress makes the following findings:

''(1) Every student should attend a school in a drug- and violence-free learning environment.

''(2) The widespread illegal use of alcohol and drugs among the Nation's secondary school students, and increasingly by students in elementary schools as well, constitutes a grave threat to such students' physical and mental well-being, and significantly impedes the learning process. For example, data show that students who drink tend to receive lower grades and are more likely to miss school because of illness than students who do not drink.

''(3) Drug and violence prevention programs are essential components of a comprehensive strategy to promote school safety, youth development, positive school outcomes, and to reduce the demand for and illegal use of alcohol, tobacco and drugs throughout the Nation. Schools, local organizations, parents, students, and communities throughout the Nation have a special responsibility to work together to combat the continuing epidemic of violence and illegal drug use and should measure the success of their programs against clearly defined goals and objectives.

''(4) Drug and violence prevention programs are most effective when implemented within a research-based, drug and violence prevention framework of proven effectiveness.

''(5) Research clearly shows that community contexts contribute to substance abuse and violence.

''(6) Substance abuse and violence are intricately related and must be dealt with in a holistic manner.

''(7) Research has documented that parental behavior and environment directly influence a child's inclination to use alcohol, tobacco or drugs.

''SEC. 4003. PURPOSE.

''The purpose of this title is to support programs that prevent violence in and around schools and prevent the illegal use of alcohol, tobacco, and drugs, involve parents, and are coordinated with related Federal, State, school, and community efforts and resources, through the provision of Federal assistance to—

''(1) States for grants to local educational agencies and educational service agencies and consortia of such agencies to establish, operate, and improve local programs of school drug and violence prevention, early intervention, rehabilitation referral, and education in elementary and secondary schools (including intermediate and junior high schools);

''(2) States for grants to, and contracts with, community-based organizations and other public and private nonprofit agencies and organizations for programs of drug and violence prevention including community mobilization, early intervention, rehabilitation referral, and education;

''(3) States for grants to local educational agencies and educational service agencies and consortia for the development and implementation of policies that set clear and appropriate standards regarding the illegal use of alcohol, tobacco and drugs, and for violent behavior.

''(4) States for development, training, technical assistance, and coordination activities;

''(5) public and private nonprofit organizations to provide technical assistance, conduct training, demonstrations, and evaluation, and to provide supplementary services and community mobilization activities for the prevention of drug use and violence among students and youth; and

''(6) institutions of higher education to establish, operate, expand, and improve programs of school drug and violence prevention, education, and rehabilitation referral for students enrolled in colleges and universities.

''SEC. 4004. FUNDING.

''There are authorized to be appropriated—

''(1) $700,000,000 for fiscal year 2001, and such sums as may be necessary for each of the 4 succeeding fiscal years, for State grants under subpart 1 of part A;

''(2) $100,000,000 for fiscal year 2001, and such sums as may be necessary for each of the 4 succeeding fiscal years, for national programs under subpart 2 of part A; and

''(3) $75,000,000 for fiscal year 2001, and such sums as may be necessary for each of the 4 succeeding fiscal years, for the National Coordinator Initiative under section 4122.

''PART A—STATE GRANTS FOR DRUG AND VIOLENCE PREVENTION PROGRAMS

''Subpart 1—State Grants for Drug and Violence Prevention Programs

''SEC. 4011. RESERVATIONS AND ALLOTMENTS.

''(a) RESERVATIONS.—From the amount made available under section 4004(1) to carry out this subpart for each fiscal year, the Secretary—

''(1) shall reserve 1 percent of such amount for grants under this subpart to Guam, American Samoa, the Virgin Islands, and the Commonwealth of the Northern Mariana Islands, to be allotted in accordance with the Secretary's determination of their respective needs;

''(2) shall reserve 1 percent of such amount for the Secretary of the Interior to carry out programs under this part for Indian youth;

''(3) may reserve not more than $1,000,000 for the national impact evaluation required by section 4117(a); and

''(4) shall reserve 0.2 percent of such amount for programs for Native Hawaiians under section 4118.

''(b) STATE ALLOTMENTS.—

''(1) IN GENERAL.—Except as provided in paragraph (2), the Secretary shall, for each fiscal year, allocate among the States—

''(A) one-half of the remainder not reserved under subsection (a) according to the ratio between the school-aged population of each State and the school-aged population of all the States; and

''(B) one-half of such remainder according to the ratio between the amount each State received under part A of title I for the preceding year and the sum of such amounts received by all the States.

''(2) MINIMUM.—For any fiscal year, no State shall be allotted under this subsection an amount that is less than one-half of 1 percent of the total amount allotted to all the States under this subsection.

''(3) REALLOTMENT.—The Secretary may reallot any amount of any allotment to a State if the Secretary determines that the State will be unable to use such amount within 2 years of such allotment. Such reallotments shall be made on the same basis as allotments are made under paragraph (1).

''(4) DEFINITIONS.—In this subsection:

''(A) STATE.—The term 'State' means each of the 50 States, the District of Columbia, and the Commonwealth of Puerto Rico.

''(B) LOCAL EDUCATIONAL AGENCY.—The term 'local educational agency' includes educational service agencies and consortia of such agencies.

''(c) LIMITATION.—Amounts appropriated under this section for programs under this subpart shall not be used to carry out national programs under subpart 2.

''SEC. 4112. STATE APPLICATIONS.

''(a) IN GENERAL.—In order to receive an allotment under section 4111 for any fiscal year, a State shall submit to the Secretary, at such time as the Secretary may require, an application that—

''(1) contains a comprehensive plan for the use of funds by the State educational agency and the chief executive officer to provide safe, orderly, and drug-free schools and communities;

''(2) contains the results of the State's needs assessment for drug and violence prevention programs, which shall be based on the results of on-going State evaluation activities, including data on the incidence and prevalence, age of onset, perception of health risk, and perception of social disapproval of drug use and violence by youth in schools and communities and the prevalence of risk or protective factors, buffers or assets or other research-based variables in the school and community;

''(3) contains assurances that the sections of the application concerning the funds provided to the chief executive officer and the State educational agency were developed together, with each such officer or State representative, in consultation and coordination with appropriate State officials and others, including the chief State school officer, the chief executive officer, the head of the State alcohol and drug abuse agency, the heads of the State health and mental health agencies, the head of the State criminal justice planning agency, the head of the State child welfare agency, the head of the State board of education, or their designees, and representatives of parents, students, and community-based organizations;

''(4) contains an assurance that the State will cooperate with, and assist, the Secretary in conducting a national impact evaluation of programs required by section 4117(a);

''(5) contains assurances that the State education agency and the Governor will develop their respective applications in consultation with an advisory council that includes, to the extent practicable, representatives from school districts, businesses, parent organizations, youth, teachers, administrators, pupil services personnel, private schools, appropriate State agencies, community-based organization, the medical profession, law enforcement, the faith community and other groups with interest and expertise in alcohol, tobacco, drug, and violence prevention;

''(6) contains assurances that the State education agency and the Governor involve the representatives described in paragraph (4), on an ongoing basis, to review program evaluations and other relevant material and make recommendations to the State education agency and the Governor on how to improve their respective alcohol, tobacco, drug, and violence prevention programs;

''(7) contains a list of the State's results-based performance measures for drug and violence prevention, that shall—

''(A) be focused on student behavior and attitudes and be derived from the needs assessment;

''(B) include targets and due dates for the attainment of such performance measures; and

''(C) include a description of the procedures that the State will use to inform local educational agencies of such performance measures for assessing and publicly reporting progress toward meeting such measures or revising them as needed; and

''(8) includes any other information the Secretary may require.

''(b) STATE EDUCATIONAL AGENCY FUNDS.—A State's application under this section shall also contain a comprehensive plan for the use of funds under section 4113(a) by the State educational agency that includes—

''(1) a plan for monitoring the implementation of, and providing technical assistance regarding, the drug and violence prevention programs conducted by local educational agencies in accordance with section 4116

''(2) a description of how the State educational agency will use funds under section 4113(b);

''(3) a description of how the State educational agency will coordinate such agency's activities under this subpart with the chief executive officer's drug and violence prevention programs under this subpart and with the prevention efforts of other State agencies; and

''(4) a description of the procedures the State educational agency will use to review applications from and allocate funding to local educational agencies under section 4115.

''(c) GOVERNOR'S FUNDS.—A State's application under this section shall also contain a comprehensive plan for the use of funds under section 4114(a) by the chief executive officer that includes—

''(1) a description of how the chief executive officer will coordinate such officer's activities under this part with the State educational agency and other State agencies and organizations involved with drug and violence prevention efforts;

''(2) a description of how funds reserved under section 4114(a) will be used so as not to duplicate the efforts of the State educational agency and local educational agencies with regard to the provision of school-based prevention efforts and services and how those funds will be used to serve populations not normally served by the State educational agency, such as school dropouts and youth in detention centers;

''(3) a description of how the chief executive officer will award funds under section 4114(a) and a plan for monitoring the performance of, and providing technical assistance to, recipients of such funds;

''(4) a description of the special outreach activities that will be carried out to maximize the participation of community-based organizations of demonstrated effectiveness which provide services in low-income communities; and

''(5) a description of how funds will be used to support community-wide comprehensive drug and violence prevention planning and community mobilization activities.

''(d) PEER REVIEW.—The Secretary shall use a peer review process in reviewing State applications under this section.

''(e) INTERIM APPLICATION.—Notwithstanding any other provisions of this section, a State may submit for fiscal year 2000 a 1-year interim application and plan for the use of funds under this subpart that are consistent with the requirements of this section and contain such information as the Secretary may specify in regulations. The purpose of such interim application and plan shall be to afford the State the opportunity to fully develop and review such State's application and comprehensive plan otherwise required by this section. A State may not receive a grant under this subpart for a fiscal year subsequent to fiscal year 2000 unless the Secretary has approved such State's application and comprehensive plan in accordance with this subpart.

''SEC. 4113. STATE AND LOCAL EDUCATIONAL AGENCY PROGRAMS.

''(a) USE OF FUNDS.—

''(1) IN GENERAL.—Except as provided in paragraph (2), an amount equal to 80 percent of the total amount allocated to a State under section 4111 for each fiscal year shall be used by the State educational agency and its local educational agencies for drug and violence prevention activities in accordance with this section.

''(2) EXCEPTION.—

''(A) IN GENERAL.—If a State has, on or before January 1, 1994, established an independent State agency for the purpose of administering all of the funds described in section 5121 of this Act (as such section was in effect on the day preceding the date of the enactment of the Improving America's Schools Act of 1994), then—

''(i) an amount equal to 80 percent of the total amount allocated to such State under section 4111 for each fiscal year shall be used by the State educational agency and its local educational agencies for drug and violence prevention activities in accordance with this section; and

''(ii) an amount equal to 20 percent of such total amount shall be used by such independent State agency for drug and violence prevention activities in accordance with this section.

''(B) ADMINISTRATIVE COSTS.—Not more than 5 percent of the amount reserved under subparagraph (A)(ii) may be used for administrative costs of the independent State agency incurred in carrying out the activities described in such subparagraph.

''(C) DEFINITION.—For purposes of this paragraph, the term 'independent State agency' means an independent agency with a board of directors or a cabinet level agency whose chief executive officer is appointed by the chief executive officer of the State and confirmed with the advice and consent of the senate of such State.

''(b) STATE LEVEL PROGRAMS.—

''(1) IN GENERAL.—A State educational agency shall use not more than 5 percent of the amount available under subsection (a) for activities such as—

''(A) training and technical assistance concerning drug and violence prevention for local educational agencies and educational service agencies, including teachers, administrators, coaches and athletic directors, other staff, parents, students, community leaders, health service providers, local law enforcement officials, and judicial officials;

''(B) the development, identification, dissemination, and evaluation of the most readily available, accurate, and up-to-date curriculum materials (including videotapes, software, and other technology-based learning resources), for consideration by local educational agencies;

''(C) making available to local educational agencies cost effective programs for youth violence and drug abuse prevention;

''(D) demonstration projects in drug and violence prevention;

''(E) training, technical assistance, and demonstration projects to address violence associated with prejudice and intolerance;

''(F) financial assistance to enhance resources available for drug and violence prevention in areas serving large numbers of economically disadvantaged children or sparsely populated areas, or to meet other special needs consistent with the purposes of this subpart; and

''(G) the evaluation of activities carried out within the State under this part.

''(2) SPECIAL RULE.—A State educational agency may carry out activities under this subsection directly, or through grants or contracts.

''(c) STATE ADMINISTRATION.—

''(1) IN GENERAL.—A State educational agency may use not more than 4 percent of the amount reserved under subsection (a) for the administrative costs of carrying out its responsibilities under this part.

''(2) UNIFORM MANAGEMENT INFORMATION AND REPORTING SYSTEM.—In carrying out its responsibilities under this part, a State shall implement a uniform management information and reporting system that includes information on the types of curricula, programs and services provided by the State, Governor, local education agencies, and other recipients of funds under this title.

''(d) LOCAL EDUCATIONAL AGENCY PROGRAMS.—

''(1) IN GENERAL.—A State educational agency shall distribute not less than 91 percent of the amount made available under subsection (a) for each fiscal year to local educational agencies in accordance with this subsection.

''(2) DISTRIBUTION.—A State educational agency shall distribute amounts under paragraph (1) in accordance with any one of the following subparagraphs:

''(A) ENROLLMENT AND BASELINE APPROACH.—Of the amount distributed under paragraph (1), a State educational agency shall distribute—

''(i) at least 70 percent of such amount to local educational agencies, based on the relative enrollments in public and private nonprofit elementary and secondary schools within the boundaries of such agencies; and

''(ii) not to exceed 30 percent of any amounts remaining after amounts are distributed under clause (i) to each local educational agency in an amount determined appropriate by the State education agency.

''(B) ENROLLMENT AND NEED APPROACH.—Of the amount distributed under paragraph (1), a State educational agency shall distribute—

''(i) at least 70 percent of such amount in accordance with subparagraph (A)(i); and

''(ii) not to exceed 30 percent of any amounts remaining after amounts are distributed under clause (i) to local educational agencies that the State education agency determines have the greatest need for additional funds to carry out drug and violence prevention programs authorized by this subpart.

''(C) ENROLLMENT AND COMBINATION APPROACH.—Of the amount distributed under paragraph (1), a State educational agency shall distribute

''(i) at least 70 percent of such amount to local educational agencies, based on the relative enrollments in public and private nonprofit elementary and secondary schools within the boundaries of such agencies; and

''(ii) not to exceed 30 percent of any amounts remaining after amounts are distributed under clause (i)—

''(I) to each local educational agency in an amount determined appropriate by the State education agency; or

''(II) to local educational agencies that the State education agency determines have the greatest need for additional funds to carry out drug and violence prevention programs authorized by this subpart.

''(D) COMPETITIVE AND NEED APPROACH.—Of the amount distributed under paragraph (1), a State educational agency shall distribute

''(i) not to exceed 70 percent of such amount to local educational agencies that the State agency determines, through a competitive process, have the greatest need for funds to carry out drug and violence prevention programs based on criteria established by the State agency and authorized under this subpart; and

''(ii) at least 30 percent of any amounts remaining after amounts are distributed under clause (i) to local education agencies that the State agency determines have a need for additional funds to carry out the program authorized under this subpart.

''(3) CONSIDERATION OF OBJECTIVE DATA.—For purposes of paragraph (2), in determining which local educational agencies have the greatest need for funds, the State educational agency shall consider objective data which may include—

''(A) high rates of alcohol or drug use among youth;

''(B) high rates of victimization of youth by violence and crime;

''(C) high rates of arrests and convictions of youth for violent or drug- or alcohol-related crime;

''(D) the extent of illegal gang activity;

''(E) high incidence of violence associated with prejudice and intolerance;

''(F) high rates of referrals of youths to drug and alcohol abuse treatment and rehabilitation programs;

''(G) high rates of referrals of youths to juvenile court;

''(H) high rates of expulsions and suspensions of students from schools;

''(I) high rates of reported cases of child abuse and domestic violence;

''(J) high rates of drug related emergencies or deaths; and

''(K) local fiscal capacity to fund drug use and violence prevention programs without Federal assistance.

''(e) REALLOCATION OF FUNDS.—If a local educational agency chooses not to apply to receive the amount allocated to such agency under subsection (d), or if such agency's application under section 4115 is disapproved by the State educational agency, the State educational agency shall reallocate such amount to one or more of the local educational agencies.

''(f) RETURN OF FUNDS TO STATE EDUCATIONAL AGENCY; REALLOCATION.—

''(1) RETURN.—Except as provided in paragraph (2), upon the expiration of the 1-year period beginning on the date that a local educational agency or educational service agency under this title receives its allocation under this title—

''(A) such agency shall return to the State educational agency any funds from such allocation that remain unobligated; and

''(B) the State educational agency shall reallocate any such amount to local educational agencies or educational service agencies that have plans for using such amount for programs or activities on a timely basis.

''(2) REALLOCATION.—In any fiscal year, a local educational agency, may retain for obligation in the succeeding fiscal year—

''(A) an amount equal to not more than 25 percent of the allocation it receives under this title for such fiscal year; or

''(B) upon a demonstration of good cause by such agency or consortium, a greater amount approved by the State educational agency.

''SEC. 4114. GOVERNOR'S PROGRAMS.

''(a) USE OF FUNDS.—

''(1) IN GENERAL.—An amount equal to 20 percent of the total amount allocated to a State under section 4111(1) for each fiscal year shall be used by the chief executive officer of such State for drug and violence prevention programs and activities in accordance with this section.

''(2) ADMINISTRATIVE COSTS.—A chief executive officer may use not more than 5 percent of the 20 percent of the total amount described in paragraph (1) for the administrative costs incurred in carrying out the duties of such officer under this section. The chief executive officer of a State may use amounts under this paragraph to award grants to State, county, or local law enforcement agencies, including district attorneys, in consultation with local education agencies or community-based agencies, for the purposes of carrying out drug abuse and violence prevention activities.

''(b) PROGRAMS AUTHORIZED.—

''(1) IN GENERAL.—A chief executive officer shall use funds made available under subsection (a)(1) for grants to or contracts with parent groups, schools, community action and job training agencies, community-based organizations, community anti-drug coalitions, law enforcement education partnerships, and other public entities and private nonprofit organizations and consortia thereof. In making such grants and contracts, a chief executive officer shall give priority to programs and activities described in subsection (c) for—

''(A) children and youth who are not normally served by State or local educational agencies; or

''(B) populations that need special services or additional resources (such as preschoolers, youth in juvenile detention facilities, runaway or homeless children and youth, pregnant and parenting teenagers, and school dropouts).

''(2) PEER REVIEW.—Grants or contracts awarded under this subsection shall be subject to a peer review process.

''(c) AUTHORIZED ACTIVITIES.—Grants and contracts under subsection (b) shall be used to carry out the comprehensive State plan as required under section 4112(a)(1) through programs and activities such as—

''(1) disseminating information about drug and violence prevention;

''(2) training parents, law enforcement officials, judicial officials, social service providers, health service providers and community leaders about drug and violence prevention, comprehensive health education, early intervention, pupil services, or rehabilitation referral;

''(3) developing and implementing comprehensive, community-based drug and violence prevention programs that link community resources with schools and integrate services involving education, vocational and job skills training and placement, law enforcement, health, mental health, community service, mentoring, and other appropriate services;

''(4) planning and implementing drug and violence prevention activities that coordinate the efforts of State agencies with efforts of the State educational agency and its local educational agencies;

''(5) activities to protect students traveling to and from school;

''(6) before-and-after school recreational, instructional, cultural, and artistic programs that encourage drug- and violence-free lifestyles;

''(7) activities that promote the awareness of and sensitivity to alternatives to violence through courses of study that include related issues of intolerance and hatred in history;

''(8) developing and implementing activities to prevent and reduce violence associated with prejudice and intolerance;

''(9) developing and implementing strategies to prevent illegal gang activity;

''(10) coordinating and conducting school and community-wide violence and safety assessments and surveys;

''(11) service-learning projects that encourage drug- and violence-free lifestyles;

''(12) evaluating programs and activities assisted under this section;

''(13) developing and implementing community mobilization activities to undertake environmental change strategies related to substance abuse and violence; and

''(14) partnerships between local law enforcement agencies, including district attorneys, and local education agencies or community-based agencies.

''SEC. 4115. LOCAL APPLICATIONS.

''(a) APPLICATION REQUIRED.—

''(1) IN GENERAL.—In order to be eligible to receive a distribution under section 4113(d) for any fiscal year, a local educational agency shall submit, at such time as the State educational agency requires, an application to the State educational agency for approval. Such an application shall be amended, as necessary, to reflect changes in the local educational agency's program.

''(2) DEVELOPMENT.—

''(A) CONSULTATION.—A local educational agency shall develop its application under subsection (a)(1) in consultation with a local or substate regional advisory council that includes, to the extent possible, representatives of local government, business, parents, students, teachers, pupil services personnel, appropriate State agencies, private schools, the medical profession, law enforcement, community-based organizations, and other groups with interest and expertise in drug and violence prevention.

''(B) DUTIES OF ADVISORY COUNCIL.—In addition to assisting the local educational agency to develop an application under this section, the advisory council established or designated under subparagraph (A) shall, on an ongoing basis—

''(i) disseminate information about drug and violence prevention programs, projects, and activities conducted within the boundaries of the local educational agency;

''(ii) advise the local educational agency regarding—

''(I) how best to coordinate such agency's activities under this subpart with other related programs, projects, and activities; and

''(II) the agencies that administer such programs, projects, and activities; and

''(iii) review program evaluations and other relevant material and make recommendations on an active and ongoing basis to the local educational agency on how to improve such agency's drug and violence prevention programs.

''(b) CONTENTS OF APPLICATIONS.—An application under this section shall contain—

''(1) an objective analysis of the current use (and consequences of such use) of alcohol, tobacco, and controlled, illegal, addictive or harmful substances as well as the violence, safety, and discipline problems among students who attend the schools of the applicant (including private school students who participate in the applicant's drug and violence prevention program) that is based on ongoing local assessment or evaluation activities;

''(2) an analysis, based on data reasonably available at the time, of the prevalence of risk or protective factors, buffers or assets or other research-based variables in the school and community;

''(3) a description of the research-based strategies and programs, which shall be used to prevent or reduce drug use, violence, or disruptive behavior, which shall include—

''(A) a specification of the objectively measurable goals, objectives, and activities for the program, which may include—

''(i) reductions in the use of alcohol, tobacco, and illicit drugs and violence by youth;

''(ii) specific reductions in the prevalence of identified risk factors; or

''(iii) specific increases in the prevalence of protective factors, buffers, or assets if any have been identified;

''(B) a specification for how risk factors, if any, which have been identified will be targeted through research-based programs; and

''(C) a specification for how protective factors, buffers, or assets, if any, will be targeted through research-based programs;

''(4) a specification for the method or methods by which measurements of program goals will be achieved;

''(5) a specification for how the evaluation of the effectiveness of the prevention program will be assessed and how the results will be used to refine, improve, and strengthen the program;

''(6) an assurance that the applicant has, or the schools to be served have, a comprehensive safe and drug-free schools plan that includes—

''(A) appropriate and effective discipline policies that prohibit disorderly conduct, the possession of firearms and other weapons, and the illegal use, possession, distribution, and sale of tobacco, alcohol, and other drugs by students;

''(B) security procedures at school and while students are on the way to and from school;

''(C) prevention activities that are designed to create and maintain safe, disciplined, and drug-free environments; and

''(D) a crisis management plan for responding to violent or traumatic incidents on school grounds; and

''(7) such other information and assurances as the State educational agency may reasonably require.

''(c) REVIEW OF APPLICATION.—

''(1) IN GENERAL.—In reviewing local applications under this section, a State educational agency shall use a peer review process or other methods of assuring the quality of such applications.

''(2) CONSIDERATIONS.—

''(A) IN GENERAL.—In determining whether to approve the application of a local educational agency under this section, a State educational agency shall consider the quality of the local educational agency's comprehensive plan under subsection (b)(6) and the extent to which the proposed plan provides a thorough assessment of the substance abuse and violence problem, uses objective data and the knowledge of a wide range of community members, develops measurable goals and objectives, and implements research-based programs that have been shown to be effective and meet identified needs.

''(B) DISAPPROVAL.—A State educational agency may disapprove a local educational agency application under this section in whole or in part and may withhold, limit, or place restrictions on the use of funds allotted to such a local educational agency in a manner the State educational agency determines will best promote the purposes of this part, except that a local educational agency shall be afforded an opportunity to appeal any such disapproval.

''SEC. 4116. LOCAL DRUG AND VIOLENCE PREVENTION PROGRAMS.

''(a) PROGRAM REQUIREMENTS.—A local educational agency shall use funds received under this subpart to adopt and carry out a comprehensive drug and violence prevention program which shall—

''(1) be designed, for all students and employees, to—

''(A) prevent the use, possession, and distribution of tobacco, alcohol, and illegal drugs by students and to prevent the illegal use, possession, and distribution of such substances by employees;

''(B) prevent violence and promote school safety; and

''(C) create a disciplined environment conducive to learning;

''(2) include activities to promote the involvement of parents and coordination with community groups and agencies, including the distribution of information about the local educational agency's needs, goals, and programs under this subpart;

''(3) implement activities which include—

''(A) a thorough assessment of the substance abuse violence problem, using objective data and the knowledge of a wide range of community members;

''(B) the development of measurable goals and objectives; and

''(C) the implementation of research-based programs that have been shown to be effective and meet identified goals;

''(4) implement prevention programming activities within the context of a research-based prevention framework; and

''(5) include a description of the applicant's tobacco, alcohol, and other drug policies.

''(b) AUTHORIZED ACTIVITIES.—A comprehensive drug and violence prevention program carried out under this subpart may include—

''(1) age-appropriate, developmentally based drug prevention and education programs for all students, from the preschool level through grade 12, that address the legal, social, personal and health consequences of the use of illegal drugs, promote a sense of individual responsibility, and provide information about effective techniques for resisting peer pressure to use illegal drugs;

''(2) programs of drug prevention, comprehensive health education, early intervention, pupil services, mentoring, or rehabilitation referral, which emphasize students' sense of individual responsibility and which may include—

''(A) the dissemination of information about drug prevention;

''(B) the professional development of school personnel, parents, students, law enforcement officials, judicial officials, health service providers and community leaders in prevention, education, early intervention, pupil services or rehabilitation referral; and

''(C) the implementation of strategies, including strategies to integrate the delivery of services from a variety of providers, to combat illegal alcohol, tobacco and drug use, such as—

''(i) family counseling;

''(ii) early intervention activities that prevent family dysfunction, enhance school performance, and boost attachment to school and family; and

''(iii) activities, such as community service and service-learning projects, that are designed to increase students' sense of community;

''(3) age-appropriate, developmentally based violence prevention and education programs for all students, from the preschool level through grade 12, that address the legal, health, personal, and social consequences of violent and disruptive behavior, including sexual harassment and abuse, and victimization associated with prejudice and intolerance, and that include activities designed to help students develop a sense of individual responsibility and respect for the rights of others, and to resolve conflicts without violence, or otherwise decrease the prevalence of risk factors or increase the prevalence of protective factors, buffers, or assets in the community;

''(4) violence prevention programs for school-aged youth, which emphasize students' sense of individual responsibility and may include—

''(A) the dissemination of information about school safety and discipline;

''(B) the professional development of school personnel, parents, students, law enforcement officials, judicial officials, and community leaders in designing and implementing strategies to prevent school violence;

''(C) the implementation of strategies, such as conflict resolution and peer mediation, student outreach efforts against violence, anti-crime youth councils (which work with school and community-based organizations to discuss and develop crime prevention strategies), and the use of mentoring programs, to combat school violence and other forms of disruptive behavior, such as sexual harassment and abuse; and

''(D) the development and implementation of character education programs, as a component of a comprehensive drug or violence prevention program, that are tailored by communities, parents and schools; and

''(E) comprehensive, community-wide strategies to prevent or reduce illegal gang activities and drug use;

''(5) supporting 'safe zones of passage' for students between home and school through such measures as Drug- and Weapon-Free School Zones, enhanced law enforcement, and neighborhood patrols;

''(6) acquiring and installing metal detectors and hiring security personnel;

''(7) professional development for teachers and other staff and curricula that promote the awareness of and sensitivity to alternatives to violence through courses of study that include related issues of intolerance and hatred in history;

''(8) the promotion of before-and-after school recreational, instructional, cultural, and artistic programs in supervised community settings;

''(9) other research-based prevention programming that is—

''(A) effective in reducing the prevalence of alcohol, tobacco or drug use, and violence in youth;

''(B) effective in reducing the prevalence of risk factors predictive of increased alcohol, tobacco or drug use, and violence; or

''(C) effective in increasing the prevalence of protective factors, buffers, and assets predictive of decreased alcohol, tobacco or drug use and violence among youth;

''(10) the collection of objective data used to assess program needs, program implementation, or program success in achieving program goals and objectives;

''(11) community involvement activities including community rehabilitation;

''(12) parental involvement and training; and

''(13) the evaluation of any of the activities authorized under this subsection.

''(c) LIMITATIONS.—

''(1) IN GENERAL.—Not more than 20 percent of the funds made available to a local educational agency under this subpart may be used to carry out the activities described in paragraphs (5) and (6) of subsection (b).

''(2) SPECIAL RULE.—A local educational agency shall only be able to use funds received under this subpart for activities described in paragraphs (5) and (6) of subsection (b) if funding for such activities is not received from other Federal agencies.

''(d) ADMINISTRATIVE PROVISIONS.—Notwithstanding any other provisions of law, any funds expended prior to July 1, 1995, under part B of the Drug-Free Schools and Communities Act of 1986 (as in effect prior to enactment of the Improving America's Schools Act) for the support of a comprehensive school health program shall be deemed to have been authorized by part B of such Act.

''SEC. 4117. EVALUATION AND REPORTING.

''(a) NATIONAL IMPACT EVALUATION.—

''(1) BIENNIAL EVALUATION.—The Secretary, in consultation with the National Advisory Committee, shall conduct an independent biennial evaluation of the national impact of programs assisted under this subpart and of other recent and new initiatives to combat violence in schools. The evaluation shall report on—

''(A) whether funded community and local education agency programs—

''(i) provided a thorough assessment of the substance abuse and violence problem;

''(ii) used objective data and the knowledge of a wide range of community members;

''(iii) developed measurable goals and objectives; and

''(iv) implemented a research-based program that has been show to be effective and meet identified needs;

''(B) whether funded community and local education agency programs have been designed and implemented in a manner that specifically targets, if relevant to the program—

''(i) research-based variables that are predictive of drug use or violence;

''(ii) risk factors that are predictive of an increased likelihood that young people will use drugs, alcohol or tobacco or engage in violence or drop out of school; or

''(iii) protective factors, buffers, or assets that are known to protect children and youth from exposure to risk, either by reducing the exposure to risk factors or by changing the way the young person responds to risk, and to increase the likelihood of positive youth development; and

''(C) whether funded community and local education agency programs have appreciably reduced the level of drug, alcohol and tobacco use and school violence and the presence of firearms at schools.

''(2) DATA COLLECTION.—The National Center for Education Statistics shall collect data to determine the frequency, seriousness, incidence and prevalence, age of onset, perception of health risk, and perception of social disapproval of drug use and violence in elementary and secondary schools in the States. The Secretary shall collect the data using, wherever appropriate, data submitted by the States pursuant to subsection (b)(2)(B).

''(3) BIENNIAL REPORT.—Not later than January 1, 2002, and every 2 years thereafter, the Secretary shall submit to the President and Congress a report on the findings of the evaluation conducted under paragraph (1) together with the data collected under paragraph (2).

''(b) STATE REPORT.—

''(1) IN GENERAL.—By October 1, 2001, and every 2 years thereafter, the chief executive officer of the State, in cooperation with the State educational agency, shall submit to the Secretary a report—

''(A) on the implementation and outcomes of State programs under section 4114 and section 4113(b) and local educational agency programs under section 4113(d), as well as an assessment of their effectiveness; and

''(B) on the State's progress toward attaining its goals for drug and violence prevention under subsections (b)(1) and (c)(1) of section 4112.

''(2) SPECIAL RULE.—The report required by this subsection shall be—

''(A) in the form specified by the Secretary;

''(B) based on the State's ongoing evaluation activities, and shall include data on the incidence and prevalence, age of onset, perception of health risk, and perception of social disapproval of drug use and violence by youth in schools and communities; and

''(C) made readily available to the public.

''(c) LOCAL EDUCATIONAL AGENCY REPORT.—

''(1) IN GENERAL.—Each local educational agency receiving funds under this subpart shall submit to the State educational agency such information that the State requires to complete the State report required by subsection (b).

''(2) AVAILABILITY.—Information under paragraph (1) shall be made readily available to the public.

''(3) PROVISION OF DOCUMENTATION.—Not later than January 1 of each year that a State is required to report under subsection (b), the Secretary shall provide to the State education agency all of the necessary documentation required for compliance with this section.

''SEC. 4118. PROGRAMS FOR NATIVE HAWAIIANS.

''(a) GENERAL AUTHORITY.—From the funds made available pursuant to section 4111(a)(4) to carry out this section, the Secretary shall make grants to or enter into cooperative agreements or contracts with organizations primarily serving and representing Native Hawaiians which are recognized by the Governor of the State of Hawaii to plan, conduct, and administer programs, or portions thereof, which are authorized by and consistent with the provisions of this title for the benefit of Native Hawaiians.

''(b) DEFINITION OF NATIVE HAWAIIAN.—For the purposes of this section, the term 'Native Hawaiian' means any individual any of whose ancestors were natives, prior to 1778, of the area which now comprises the State of Hawaii.

"Subpart 2—National Programs

"SEC. 4121. FEDERAL ACTIVITIES.

''(a) PROGRAM AUTHORIZED.—From funds made available to carry out this subpart under section 4004(2), the Secretary, in consultation with the Secretary of Health and Human Services, the Director of the Office of National Drug Control Policy, and the Attorney General, shall carry out programs to prevent the illegal use of drugs and violence among, and promote safety and discipline for, students at all educational levels from preschool through the postsecondary level. The Secretary shall carry out such programs directly, or through grants, contracts, or cooperative agreements with public and private nonprofit organizations and individuals, or through agreements with other Federal agencies, and shall coordinate such programs with other appropriate Federal activities. Such programs may include—

''(1) the development and demonstration of innovative strategies for training school personnel, parents, and members of the community, including the demonstration of model preservice training programs for prospective school personnel;

''(2) demonstrations and rigorous evaluations of innovative approaches to drug and violence prevention;

''(3) the provision of information on drug abuse education and prevention to the Secretary of Health and Human Services for dissemination by the clearinghouse for alcohol and drug abuse information established under section 501(d)(16) of the Public Health Service Act;

''(4) the development of curricula related to child abuse prevention and education and the training of personnel to teach child abuse education and prevention to elementary and secondary schoolchildren;

''(5) program evaluations in accordance with section 14701 that address issues not addressed under section 4117(a);

''(6) direct services to schools and school systems afflicted with especially severe drug and violence problems or to support crisis situations and appropriate response efforts;

''(7) activities in communities designated as empowerment zones or enterprise communities that will connect schools to community-wide efforts to reduce drug and violence problems;

''(8) developing and disseminating drug and violence prevention materials, including video-based projects and model curricula;

''(9) developing and implementing a comprehensive violence prevention strategy for schools and communities, that may include conflict resolution, peer mediation, the teaching of law and legal concepts, and other activities designed to stop violence;

''(10) the implementation of innovative activities, such as community service projects, designed to rebuild safe and healthy neighborhoods and increase students' sense of individual responsibility;

''(11) grants to noncommercial telecommunications entities for the production and distribution of national video-based projects that provide young people with models for conflict resolution and responsible decisionmaking;

''(12) the development of education and training programs, curricula, instructional materials, and professional training and development for preventing and reducing the incidence of crimes and conflicts motivated by hate in localities most directly affected by hate crimes; and

''(13) other activities that meet unmet national needs related to the purposes of this title.

''(b) PEER REVIEW.—The Secretary shall use a peer review process in reviewing applications for funds under this section.

"SEC. 4122. NATIONAL COORDINATOR PROGRAM.

''(a) IN GENERAL.—The Secretary shall provide for the establishment of a National Coordinator Program under which the Secretary shall award grants to local education agencies for the hiring of drug prevention and school safety program coordinators.

''(b) USE OF FUNDS.—Amounts received under a grant under subsection (a) shall be used by local education agencies to recruit, hire, and train individuals to serve as drug prevention and school safety program coordinators in schools with significant drug and school safety problems. Such coordinators shall be responsible for developing, conducting, and analyzing assessments of drug and crime problems at their schools, and administering the safe and drug free grant program at such schools.

"SEC. 4123. SAFE AND DRUG FREE SCHOOLS AND COMMUNITIES ADVISORY COMMITTEE.

''(a) ESTABLISHMENT.—

''(1) IN GENERAL.—There is hereby established an advisory committee to be known as the 'Safe and Drug Free Schools and Communities Advisory Committee' (referred to in this section as the 'Advisory Committee') to—

''(A) consult with the Secretary under subsection (b);

''(B) coordinate Federal school- and community-based substance abuse and violence prevention programs and reduce duplicative research or services;

''(C) develop core data sets and evaluation protocols for safe and drug free school- and community-based programs;

''(D) provide technical assistance and training for safe and drug free school- and community-based programs;

''(E) provide for the diffusion of research-based safe and drug free school- and community-based programs; and

''(F) review other regulations and standards developed under this title.

''(2) COMPOSITION.—The Advisory Committee shall be composed of representatives from—

''(A) the Department of Education,

''(B) the Centers for Disease Control and Prevention;

''(C) the National Institute on Drug Abuse;

''(D) the National Institute on Alcoholism and Alcohol Abuse;

''(E) the Center for Substance Abuse Prevention;

''(F) the Center for Mental Health Services;

''(G) the Office of Juvenile Justice and Delinquency Prevention;

''(H) the Office of National Drug Control Policy; and

''(I) State and local governments, including education agencies.

''(3) CONSULTATION.—In carrying out its duties under this section, the Advisory Committee shall annually consult with interested State and local coordinators of school- and community-based substance abuse and violence prevention programs and other interested groups.

''(b) PROGRAMS.—

''(1) IN GENERAL.—From funds made available to carry out this subpart, the Secretary, in consultation with the Advisory Committee, shall carry out research-based programs to strengthen the accountability and effectiveness of the State, Governor's, and national programs under this title.

''(2) GRANTS, CONTRACTS OR COOPERATIVE AGREEMENTS.—The Secretary shall carry out paragraph (1) directly or through grants, contracts, or cooperative agreements with public and nonprofit private organizations and individuals or through agreements with other Federal agencies.

''(3) COORDINATION.—The Secretary shall coordinate programs under this section with other appropriate Federal activities.

''(4) ACTIVITIES.—Activities that may be carried out under programs funded under this section may include—

''(A) the provision of technical assistance and training, in collaboration with other Federal agencies utilizing their expertise and national and regional training systems, for Governors, State education agencies and local education agencies to support high quality, effective programs that—

''(i) provide a thorough assessment of the substance abuse and violence problem;

''(ii) utilize objective data and the knowledge of a wide range of community members;

''(iii) develop measurable goals and objectives; and

''(iv) implement research-based activities that have been shown to be effective and that meet identified needs;

''(B) the provision of technical assistance and training to foster program accountability;

''(C) the diffusion and dissemination of best practices and programs;

''(D) the development of core data sets and evaluation tools;

''(E) program evaluations;

''(F) the provision of information on drug abuse education and prevention to the Secretary of Health and Human Services for dissemination by the Clearinghouse for Alcohol and Drug Abuse Information established under section 501(d)(16) of the Public Health Service Act; and

''(G) other activities that meet unmet needs related to the purposes of this title and that are undertaken in consultation with the Advisory Committee.

"SEC. 4124. HATE CRIME PREVENTION.

''(a) GRANT AUTHORIZATION.—From funds made available to carry out this subpart under section 4004(1) the Secretary may make grants to local educational agencies and community-based organizations for the purpose of providing assistance to localities most directly affected by hate crimes.

''(b) USE OF FUNDS.—

''(1) PROGRAM DEVELOPMENT.—Grants under this section may be used to improve elementary and secondary educational efforts, including—

''(A) development of education and training programs designed to prevent and to reduce the incidence of crimes and conflicts motivated by hate;

''(B) development of curricula for the purpose of improving conflict or dispute resolution skills of students, teachers, and administrators;

''(C) development and acquisition of equipment and instructional materials to meet the needs of, or otherwise be part of, hate crime or conflict programs; and

''(D) professional training and development for teachers and administrators on the causes, effects, and resolutions of hate crimes or hate-based conflicts.

''(2) IN GENERAL.—In order to be eligible to receive a grant under this section for any fiscal year, a local educational agency, or a

local educational agency in conjunction with a community-based organization, shall submit an application to the Secretary in such form and containing such information as the office may reasonably require.

''(3) REQUIREMENTS.—Each application under paragraph (2) shall include—

''(A) a request for funds for the purposes described in this section;

''(B) a description of the schools and communities to be served by the grants; and

''(C) assurances that Federal funds received under this section shall be used to supplement, not supplant, non-Federal funds.

''(4) COMPREHENSIVE PLAN.—Each application shall include a comprehensive plan that contains—

''(A) a description of the hate crime or conflict problems within the schools or the community targeted for assistance;

''(B) a description of the program to be developed or augmented by such Federal and matching funds;

''(C) assurances that such program or activity shall be administered by or under the supervision of the applicant;

''(D) proper and efficient administration of such program; and

''(E) fiscal control and fund accounting procedures as may be necessary to ensure prudent use, proper disbursement, and accurate accounting of funds received under this section.

''(c) AWARD OF GRANTS.—

''(1) SELECTION OF RECIPIENTS.—The Secretary shall consider the incidence of crimes and conflicts motivated by bias in the targeted schools and communities in awarding grants under this section.

''(2) GEOGRAPHIC DISTRIBUTION.—The Secretary shall attempt, to the extent practicable, to achieve an equitable geographic distribution of grant awards.

''(3) DISSEMINATION OF INFORMATION.—The Secretary shall attempt, to the extent practicable, to make available information regarding successful hate crime prevention programs, including programs established or expanded with grants under this section.

''(d) REPORTS.—The Secretary shall submit to the Congress a report every two years which shall contain a detailed statement regarding grants and awards, activities of grant recipients, and an evaluation of programs established under this section.

''Subpart 3—General Provisions

''SEC. 4131. DEFINITIONS.

''In this part:

''(1) COMMUNITY-BASED ORGANIZATION.—The term 'community-based organization' means a private nonprofit organization which is representative of a community or significant segments of a community and which provides educational or related services to individuals in the community.

''(2) DRUG AND VIOLENCE PREVENTION.—The term 'drug and violence prevention' means—

''(A) with respect to drugs, prevention, early intervention, rehabilitation referral, or education related to the illegal use of alcohol and the use of controlled, illegal, addictive, or harmful substances, including inhalants and anabolic steroids;

''(B) prevention, early intervention, smoking cessation activities, or education, related to the use of tobacco by children and youth eligible for services under this title; and

''(C) with respect to violence, the promotion of school safety, such that students and school personnel are free from violent and disruptive acts, including sexual harassment and abuse, and victimization associated with prejudice and intolerance, on school premises, going to and from school, and at school-sponsored activities, through the creation and maintenance of a school environment that is free of weapons and fosters individual responsibility and respect for the rights of others.

''(3) HATE CRIME.—The term 'hate crime' means a crime as described in section 1(b) of the Hate Crime Statistics Act of 1990.

''(4) NONPROFIT.—The term 'nonprofit', as applied to a school, agency, organization, or institution means a school, agency, organization, or institution owned and operated by one or more nonprofit corporations or associations, no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual.

''(5) OBJECTIVELY MEASURABLE GOALS.—The term 'objectively measurable goals' means prevention programming goals defined through use of quantitative epidemiological data measuring the prevalence of alcohol, tobacco, and other drug use, violence, and the prevalence of risk and protective factors predictive of these behaviors, collected through a variety of methods and sources known to provide high quality data.

''(6) PROTECTIVE FACTOR, BUFFER, OR ASSET.—The terms 'protective factor', 'buffer', and 'asset' mean any one of a number of the community, school, family, or peer-individual domains that are known, through prospective, longitudinal research efforts, or which are grounded in a well-established theoretical model of prevention, and have been shown to prevent alcohol, tobacco, or illicit drug use, as well as violent behavior, by youth in the community, and which promote positive youth development.

''(7) RISK FACTOR.—The term 'risk factor' means any one of a number of characteristics of the community, school, family, or peer-individual domains that are known, through prospective, longitudinal research efforts, to be predictive of alcohol, tobacco, and illicit drug use, as well as violent behavior, by youth in the school and community.

''(8) SCHOOL-AGED POPULATION.—The term 'school-aged population' means the population aged five through 17, as determined by the Secretary on the basis of the most recent satisfactory data available from the Department of Commerce.

''(9) SCHOOL PERSONNEL.—The term 'school personnel' includes teachers, administrators, guidance counselors, social workers, psychologists, nurses, librarians, and other support staff who are employed by a school or who perform services for the school on a contractual basis.

''SEC. 4132. MATERIALS.

''(a) 'ILLEGAL AND HARMFUL' MESSAGE.—Drug prevention programs supported under this part shall convey a clear and consistent message that the illegal use of alcohol and other drugs is illegal and harmful.

''(b) CURRICULUM.—The Secretary shall not prescribe the use of specific curricula for programs supported under this part, but may evaluate the effectiveness of such curricula and other strategies in drug and violence prevention.

''SEC. 4133. PROHIBITED USES OF FUNDS.

''No funds under this part may be used for—

''(1) construction (except for minor remodeling needed to accomplish the purposes of this part); and

''(2) medical services, drug treatment or rehabilitation, except for pupil services or referral to treatment for students who are victims of or witnesses to crime or who use alcohol, tobacco, or drugs.

''SEC. 4134. QUALITY RATING.

''(a) IN GENERAL.—The chief executive officer of each State, or in the case of a State in which the constitution or law of such State designates another individual, entity, or agency in the State to be responsible for education activities, such individual, entity, or agency, is authorized and encouraged—

''(1) to establish a standard of quality for drug, alcohol, and tobacco prevention programs implemented in public elementary schools and secondary schools in the State in accordance with subsection (b); and

''(2) to identify and designate, upon application by a public elementary school or secondary school, any such school that achieves such standard as a quality program school.

''(b) CRITERIA.—The standard referred to in subsection (a) shall address, at a minimum—

''(1) a comparison of the rate of illegal use of drugs, alcohol, and tobacco by students enrolled in the school for a period of time to be determined by the chief executive officer of the State;

''(2) the rate of suspensions or expulsions of students enrolled in the school for drug, alcohol, or tobacco-related offenses;

''(3) the effectiveness of the drug, alcohol, or tobacco prevention program as proven by research;

''(4) the involvement of parents and community members in the design of the drug, alcohol, and tobacco prevention program; and

''(5) the extent of review of existing community drug, alcohol, and tobacco prevention programs before implementation of the public school program.

''(c) REQUEST FOR QUALITY PROGRAM SCHOOL DESIGNATION.—A school that wishes to receive a quality program school designation shall submit a request and documentation of compliance with this section to the chief executive officer of the State or the individual, entity, or agency described in subsection (a), as the case may be.

''(d) PUBLIC NOTIFICATION.—Not less than once a year, the chief executive officer of each State or the individual, entity, or agency described in subsection (a), as the case may be, shall make available to the public a list of the names of each public school in the State that has received a quality program school designation in accordance with this section.''.

Mrs. MURRAY. Mr. President, today I join with Senators DEWINE, DODD, and ABRAHAM to introduce a bill to reauthorize the Safe and Drug-Free Schools and Communities Act. This bill sends a strong signal to American schools and communities about the importance of creating a safe learning environment in the wake of recent tragedies in Littleton, Colorado; Springfield, Oregon; Paducah, Kentucky; and Moses Lake, Washington. It serves as a reminder that we haven't forgotten these and many other tragedies, and that the Senate recognizes all communities need funding and tools to effectively reduce violence and drug use.

The hallmark of the bill is a new emphasis on accountability for results in creating safer schools and using research-proven prevention strategies. The bill reauthorizes the Safe and Drug-Free Schools and Communities Act, and authorizes funding of $875 million to local school districts that they can use flexibly to address local needs

for the prevention of violence and drug use.

In exchange, schools must invest in strategies that are shown to be effective in reducing drug use, discipline problems, and school violence.

What we've learned from recent school tragedies is that this can happen anywhere in America. No school is immune from problems, so every school community must take steps to prevent them.

We know that local educators know best how to prevent these problems, whether through offering after-school programs, or working with parent groups and law enforcement to reduce gang activity, or getting young people more involved in their community activities. This bill gives communities the tools to make a measurable difference—and recognizes that we won't prevent violence unless we all work together in partnership.

Our legislation is based on more than a year of conversations with local educators in Washington state and around the country. I have worked closely with Senators DODD, DEWINE, ABRAHAM and other Senators from both sides of the aisle to assure that we find areas of agreement early, so that we can make real progress in our discussions as we move forward. The bill emphasizes results and accountability, but gives communities flexibility to get there. Recognizing that no efforts can succeed to make young people safe and drug free—inside or outside of the classroom—without all elements of the community working together. The bill assumes collaboration and communication at all levels and across all barriers.

There are several areas where this bill does not yet reflect a full vision of how we can help schools and communities prevent violence and drug use. We need to continue working on national activities, on school safety planning, on coordination, and on other areas. We need to address the concerns of other Members who have not yet participated in the debate. However, this bill is a good, bipartisan start to the discussion, and represents Senators looking for common goals—something that needs to be brought back into the larger debate on education and our public schools.

I want to thank Senators DODD, DEWINE, and ABRAHAM and Suzanne Day from Senator DODD's office and Paul Palagyi from Senator DEWINE's office for their great work on this so far. I look forward to making continued progress in this discussion.

Mr. DODD. Mr. President, I rise today with the distinguished senior Senator from Ohio, MIKE DEWINE, to introduce legislation that will help create safe, orderly and drug-free schools for our nation's youth through the reauthorization of the Safe and Drug-Free Schools and Communities Act.

Mr. President, the need for this legislation could not be more clear. Littleton, Colorado; Paduka, Kentucky; Springfield, Oregon; Pearl, Mississippi, and Jonesboro, Arkansas—up until a year or two ago, these towns were likely to appear on a list of nice small towns in America. Today, instead, they have been inscribed on our collective memory for the horrors of what happened at each school—children shooting down other children, families in crisis and communities and a nation shattered by grief.

In the wake of each of these incidents, our nation has struggled to come to terms with the tragedies at these schools. And while many questions will never be answered, we must rededicate ourselves to making our schools safe for learning and to reassuring parents and students that schools are a safe haven. We clearly have a long way to go in this effort.

Statistics suggest that there has been some improvement in many areas in recent years, but clearly violence and drug and alcohol abuse remain all too pervasive in our children's lives.

Nationwide, from 1992–1994, 63 students ages 5 through 19 were murdered at school in 25 different states in communities of all sizes. In my own state of Connecticut alone, there were 1,532 juvenile (ages 10–17) crime arrests made from 1993–1994, illustrating the large number of youth involved in some form of crime.

With regard to substance abuse, by 12th grade, more than three-fourths of students have used alcohol in their lifetime and more than 50% have tried an illicit drug. At any given time, 52% of 12th graders report being current drinkers and 25% report being current illicit drug users. In Connecticut, in 1993, 31% of eighth and tenth grade students reported having used alcohol in the past 30 days. Not only do youth substance abuse and violence harm our children, but they also drain our communities' valuable resources. According to some analyses, the total economic costs related to substance abuse added up to $377 billion in 1995, and the costs of crime directly attributed to drug abuse added up to $59 billion.

These are all alarming statistics, and even more so when the interplay between violence and substance abuse is considered. For instance, there is compelling evidence that aggressive behavior is linked to frequency of marijuana use. Both youth violence and youth substance abuse are pressing matters in need of our attention.

The Safe and Drug-Free Schools and Communities Act is the leading federal program in this area. This program, funded at $566 million for FY1999, currently reaches 97 percent of school districts and provides flexible support for primary prevention activities like conflict resolution, peer mediation, and after school activities, as well as assistance in purchasing security equipment that has become so common in our schools. This program also supports prevention activities aimed at substance abuse among our youth. There have been some who have raised concerns that this program has not adequately accomplished its goals, in that youth violence and substance abuse rates remain high. I agree that those rates are still too high. But the proper response is to strengthen, no diminish, our commitment to assisting local schools in their efforts.

And let me hasten to add that there has, in fact, been progress. For instance, in the area of youth substance abuse, a 1998 national survey of student drug use in grades 8, 10, and 12 demonstrated that alcohol use slightly declined in grades 8 and 10, from prior years. And, after six years of steady increases, drug use among students was found to have declined and student opposition to drug use has increased. The proportion of students who reported use of illicit drugs during the 12 months prior to the survey declined at all three grade levels.

With regard to violence, a 1997 study found that 90 percent of public schools reported no incidents of serious violent crime to the police and less than half (43 percent) reported no crime at all. Over the past five years, school crime generally has decreased, as has the number of students being expelled for bringing a firearm to school. Fewer kids, in fact, brought weapons to school in 1997 than in 1993. The Centers for Disease Control report that between 1991 and 1997, the number of students involved in a physical fight decreased by 14 percent, and the number of kids carrying a weapon to school decreased by 30 percent.

Thus, the SDFSCA has made gains in providing students with safe and drug-free learning environments. The legislation we have introduced today will build on these successes. The program will continue to offer states and local districts significant flexibility. We have also added strong new accountability measures. States will have the option of targeting dollars to areas of greater need, providing them with a higher concentration of resources. State and school districts will work together in the development of a common plan with shared goals and measures of progress. Funded activities will be tied to these plans and will be required to be based on community needs assessments and to follow strategies found to demonstrate success through rigorous study. In addition, districts and schools participating in SDFSCA will be guided by a school safety plan to ensure coordinated, effective programs.

Clearly, this legislation is just the first step. Senator DEWINE and I, along with Senators MURRAY and ABRAHAM, will work with the other members of

the Health, Education, Labor and Pensions Committee, other colleagues, and other interested in this important effort to continue to improve this bill as we craft the reauthorization of the Elementary and Secondary Education Act. I am interested in particular in looking more closely at the idea of a National School Safety Center, which I believe could provide districts and schools with invaluable advice and services as they struggle to confront violence in their schools. A related idea is the one proposed by the Administration to authorize Project SERV to assist schools when there is a sudden and serious event at the school. In addition, I think we should work at additional ways to strengthen interagency cooperation, including developing and funding initiatives like the Safe Schools/Healthy Students program that is making such a difference in my state and so many others. Finally, I am very interested in considering ways to support prevention very early on in children's life through character education and training of parents, preschool teachers and other professionals in violence prevention.

Mr. President, I want to thank Senator DEWINE for his leadership, commitment and involvement in this issue, as well as Senator MURRAY with whom we have worked very closely over the past few months. I am very pleased to co-sponsor this bill with such dedicated leaders, and I look forward to working with them and other of our colleauges for its enactment.

By Mr. BREAUX (for himself and Mr. GORTON):

S. 1824. A bill to amend the Communications Act of 1934 to enhance the efficient use of spectrum by non-federal government users; to the Committee on Commerce, Science, and Transportation.

PRIVATE WIRELESS SPECTRUM USE ACT

● Mr. BREAUX. Mr. President, I am pleased to join the Senator from Washington, Mr. GORTON, in introducing the Private Wireless Spectrum Use Act. This legislation will help the more than 300,000 U.S. companies, both large and small, that have invested $25 billion in internally owned and operated wireless communications systems. It will provide these companies with critically needed spectrum and will do so through an equitable lease fee system.

The private wireless communications community includes industrial, land transportation, business, educational, and philanthropic organizations that own and operate communications systems for their internal use. The top 10 U.S. industrial companies have more than 6,000 private wireless licenses. Private wireless systems also serve America's small businesses in the utility, contracting, taxi, and livery industries.

These internal-use communications facilities greatly enhance the quality of American life. They also support global competitiveness for American firms. For example, private wireless systems support: the efficient production of goods and services; the safe transportation of passengers and products by land and air; the exploration, production, and distribution of energy; agricultural enhancement and production; the maintenance and development of America's infrastructure; and compliance with various local, State, and Federal operational government statutes.

Current regulatory policy inadequately recognizes the public interest benefits which private wireless licensees provide to the American public. Consequently, allocations of spectrum to these private wireless users have been deficient. Private wireless entities received spectrum in 1974 and 1986 when the FCC allocated channels in the 800 megahertz and 900 megahertz bands. Over time, however, the FCC has significantly reduced the number of channels available to industrial and business entities in those allocations. Private wireless entities now have access to only 299 channels, or 32 percent of the channels of the original allocation.

Spectrum auctions have done a great job of speeding up the licensing of interpersonal communications services and have generated significant revenues for the U.S. Treasury. They have also unfortunately skewed the spectrum allocation process toward subscriber-based services and away from critical radio services such as private wireless which are exempted from auctions. Nearly 200 megahertz of spectrum has been allocated for the provision of commercial telecommunications services, virtually all of which has been assigned by the FCC through competitive bidding.

Competitive bidding is not the proper assignment methodology for private wireless telecommunications users. Private wireless operations are site-specific systems which vary in size based on a user's particular needs, and are seldom mutually exclusive from other private wireless applicants. Auctions, which depend on mutually exclusive applications and use market areas based on population, simply cannot be designed for private wireless systems.

Under this legislation, the FCC would allocate no less than 12 megahertz of new spectrum for private wireless use as a measure to maintain our industrial and business competitiveness in the global arena, as well as to protect the welfare of the employees in the American workplace. Research indicates that private wireless companies are willing to pay a reasonable fee in return for use of spectrum. They recognize that their access to spectrum increases with their willingness to pay fair value for the use of this national asset.

This bill grants the FCC legislative authority to charge efficiency-based spectrum lease fees in this new spectrum allocation. These lease fees should encourage the efficient use of spectrum by the private wireless industry, generate recurring annual revenues as compensation for the use of spectrum, and retain spectrum ownership by the public. Furthermore, the fee should be easy for private frequency advisory committees to calculate and collect.

Mr. President, there may be some who believe this bill does not adequately address all their concerns. I assure all interested parties that I will work with them through the legislative process to address their concerns. I urge my colleagues to join me in supporting this bill and ask that the full text of the bill be printed in the RECORD.

The bill follows:

S. 1824

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Private Wireless Spectrum Use Act.''.

SEC. 2. FINDINGS.

The Congress makes the following findings:

(1) Competent management of the electromagnetic radio spectrum includes continued availability of spectrum for private wireless entities because of such entities' unique ability to achieve substantial efficiencies in their use of this important and finite public resource. A private wireless system licensee or entity is able to customize communications systems to meet the individual needs of that licensee or end user while using engineering solutions and other cooperative arrangements to share spectrum with other private system licensees and entities without causing harmful interference or other degradation of quality or reliability to such other licensees or entities. Accordingly, spectrum allocations for the shared use of private wireless systems achieve a high level of spectrum use efficiency and contribute to the economic and social welfare of the United States.

(2) Wireless communication systems dedicated to the internal communication needs of America's industrial, land transportation, energy (including utilities and pipelines), and other business enterprises are critical to the competitiveness of American industry and business in international commerce; increase corporate productivity; enhance the safety and welfare of employees; and improve the delivery of products and services to consumers in the United States and abroad.

(3) During the past decade, the Federal Communications Commission allocation and licensing policies have led to dramatic increases in spectrum available for commercial mobile radio services while the spectrum available for private mobile radio systems has decreased, even though the Commission recognizes the spectrum use efficiencies and other public benefits of such private systems and the substantial increases in the use of such systems.

(4) Spectrum auctions are designed to select among competing applications for spectrum licenses when engineering solutions,

negotiation, threshold qualifications, service regulations, and other cooperative means employed by the Commission are not able to prevent mutual exclusivity among such applications. Private wireless systems, on the other hand, avoid mutual exclusivity through cooperative, multiple uses generally achieved by the Commission, the users, or the frequency advisory committees. Accordingly, the requirements of such private wireless systems are accommodated within the spectrum bands allocated for private uses. Since there is no mutual exclusivity among private wireless system applications, there is no need for the Commission to employ a mechanism, such as auctions, to select among applications. Auction valuation principles also do not apply to the private wireless licensing process because the private wireless spectrum is not used on a commercial, interconnected basis. Rather, such private allocations are used for internal communications applications to enhance safety, efficiency and productivity. Nonetheless, there should be some payment associated with the assignment of new private wireless spectrum, and the Commission can and should develop a payment mechanism for this purpose.

SEC. 3. DEFINITIONS.

Section 3 of the Communications Act of 1934 (47 U.S.C. 153) is amended—

(1) by redesignating paragraphs (33) through (52) as paragraph (35) through (54); and

(2) by inserting after paragraph (32) the following:

''(33) PRIVATE WIRELESS SYSTEM.—The term 'private wireless system' means an infrastructure of telecommunications equipment and customer premises equipment that is owned by, and operated solely to meet the internal wireless communication needs of, an industrial, business, transportation, education, or energy (including utilities and pipelines) entity, or other licensee.

''(34) PRIVATE WIRELESS PROVIDER.—The term 'private wireless provider' means an entity that owns, operates, or manages an infrastructure of telecommunications equipment and customer premises equipment that is—

''(A) used solely for the purpose of meeting the internal communications needs of another entity that is an industrial, business, transportation, education, or energy (including utilities and pipelines) entity, or similar end-user;

''(B) neither a commercial mobile service (as defined in section 332(d)(1)) nor used to provide public safety services (as defined in section 337(f)(1)); and

''(C) not interconnected with the public switched network.''.

SEC. 4. ALLOCATION AND ASSIGNMENT OF ADDITIONAL SPECTRUM.

Part I of title III of the Communications Act of 1934 (47 U.S.C. 301) is amended by inserting after section 337 the following:

''SEC. 338. ALLOCATION AND ASSIGNMENT OF SPECTRUM FOR PRIVATE WIRELESS USES.

''(a) RULEMAKING REQUIRED.—Within 120 days after the date of enactment of the Private Wireless Spectrum Use Act, the Commission shall initiate a rulemaking designed to identify and allocate at least 12 megahertz of electromagnetic spectrum located between 150 and 2,000 megahertz for use by private wireless licensees on a shared-use basis. The new spectrum proposed to be reallocated shall be available and appropriate for use by private wireless communications systems and shall accommodate the need for paired allocations and for proximity to existing private wireless spectrum allocations. In accommodating the various private wireless system needs in this rulemaking, the Commission shall reserve at least 50 percent of the reallocated spectrum for the use of private wireless systems. The remaining reallocated spectrum shall be available for use by private wireless providers solely for the purpose described in section 3(34)(A).

''(b) ORDER REQUIRED.—Within 180 days after the Commission initiates the rulemaking required by subsection (a), the Commission, in consultation with its frequency advisory committees, shall—

''(1) issue an order reallocating spectrum in accordance with subsection (a); and

''(2) issue licenses for the reallocated spectrum in a timely manner.''.

SEC. 5. REIMBURSEMENT FOR ADDITIONAL SPECTRUM ALLOCATED FOR PRIVATE WIRELESS SYSTEM USE.

Section 309(j) of the Communications Act of 1934 (47 U.S.C. 309 (j)) is amended by inserting after paragraph (14) the following:

''(15) SPECTRUM EFFICIENCY FOR SHARED SPECTRUM.—

''(A) Within 120 days after the date of enactment of the Private Wireless Spectrum Use Act, the Commission shall initiate a rulemaking to devise a schedule of payment to the Treasury by private wireless systems, and by private wireless providers for the purpose described in section 3(34)(A), in return for a license or other ability to use a portion of the spectrum reallocated under section 338. The schedule shall be designed to promote the efficient use of those frequencies.

''(B) Within 180 days after the Commission initiates the rulemaking required by subparagraph (A), the Commission, after consultation with its frequency advisory committees and after opportunity for comment, shall adopt a schedule of payment in accordance with subparagraph (A) and which it determines to be in the public interest.

''(C) In adopting the schedule of payments referred to in subparagraph (A), the Commission—

''(i) may not base a finding of public interest, convenience, and necessity on the expectation of Federal revenues for the use of such schedule of payment; and

''(ii) shall take into account the private nature of the systems, the safety and efficiencies realized by the public as a result of these private uses, the amount of bandwidth and coverage area and geographic location of the license, and the degree of frequency-sharing.''.

SEC. 6. SPECTRUM SHARING

Section 309(j)(6) of the Communications Act of 1934 (47 U.S.C. 309(j)(6)) is amended—

(1) by striking ''or'' at the end of subparagraph (G);

(2) by striking ''Act.'' in subparagraph (H) and inserting ''Act; or''; and

(3) by adding at the end the following:

''(I) be construed to permit the Commission to take any action to create mutual exclusivity where it does not already exist.''

SEC. 7. CONFORMING AND TECHNICAL AMENDMENTS.

(a) PRIVATE MOBILE SERVICE.—Section 332(d) of the Communications Act of 1934 (47 U.S.C. 332(d)) is amended—

(1) by inserting ''and'' after the semicolon in paragraph (1);

(2) by striking ''(c)(1)(B); and'' in paragraph (2) and inserting ''(c)(1)(B).''; and

(3) by striking paragraph (3).

(b) APPLICATION OF SPECTRUM-USE PAYMENT SCHEDULE TO NEW LICENSES.—Section 337(a)(2) of the Communications Act of 1934 (47 U.S.C. 337(a)(2)) is amended by inserting ''or spectrum use payment schedule'' after ''competitive bidding''.

(c) EXEMPTION FROM COMPETITIVE BIDDING.—Section 309(j)(2) of the Communications Act of 1934 (47 U.S.C. 309(j)(2)) is amended—

(1) by striking ''or'' at the end of subparagraph (B);

(2) by striking ''Act.'' in subparagraph (C) and inserting ''Act; or''; and

(3) by adding at the end thereof the following:

''(D) for private wireless systems, and for private wireless providers for the purpose described in section 3(34)(A), that—

''(i) are used to enhance the productivity or safety of business or industry; and

''(ii) are not made commercially available to the public, except for that purpose.''.

(d) TECHNICAL AMENDMENT.—Section 271(c)(1)(A) of the Communications Act of 1934 (47 U.S.C. 271(c)(1)(A)) is amended by striking ''3(47)(A),'' and inserting ''3(49)(A),''.●

● Mr. GORTON. Mr. President, I am pleased to join my colleague from Louisiana, Senator BREAUX, in introducing a bill to rationalize the federal management of spectrum that is used by entities for their internal wireless communication needs. The legislation does essentially three things. First, it recognizes that auctions are not an appropriate means of allocating spectrum for these private users, and so exempts from auction that spectrum that is used for private wireless applications. Second, it directs the FCC to reallocate an additional 12 megahertz of spectrum to private wireless users, who, over the years, and despite the efficiencies they have obtained through shared use, have lost spectrum and currently do not have enough to meet demands in some areas. Third, the legislation authorizes the FCC to collect lease fees for the use of the 12 MHZ to be reallocated.

One of the biggest challenges in preparing this bill, Mr. President, has been to define the class of beneficiaries, that is, to identify what is a ''private wireless'' system. The definition in the measure we are introducing today may not be perfect, and I look forward to working with all interested parties to ensure that the definition covers the appropriate class of users. The intent, however, and one that I believe is captured in the current definition, is that we recognize that there are thousands of corporations, utilities, farmers, and other entities, that use spectrum purely for their internal communication needs, with applications that range from reading utility meters from a distance, to operating sprinkler or irrigation systems, to communicating over hand-held radios in the middle of the woods, a factory floor, or a construction site. This use of the spectrum, Mr. President, is economically vital to our economy, as it enhances the productivity of all of these users and, in many cases, makes their operations possible.

A distinguishing characteristic of private wireless users, and a reason

that we are proposing that they be treated differently than other spectrum users, is that the private wireless users' application of the spectrum is often specifically tailored to the needs of that user, that is, it is a unique application that is not offered by commercial wireless providers.

Currently, private wireless users are licensed on a site-by-site basis by the FCC. Their license applications are coordinated by spectrum managers who attempt to maximize the efficiency of the spectrum and eliminate mutually exclusive applications by requiring that the spectrum be shared by multiple users. In this way, hundreds of different users can and do operate their internal wireless communications systems within a given geographic area. When the users' needs change, as they frequently do, as companies open new production facilities, begin work at new construction sites, or extend their service area, the spectrum coordinators, (spectrum allowing), will propose a new sharing arrangement and obtain a new site-specific license for the user.

The geographic based auction concept that the FCC is currently proposing for some of the spectrum now being used by private wireless, makes little sense for these private users. Unlike a commercial wireless provider, whose service must be operational within the entirety of a broad geographical license area, an individual private wireless user may require use of the spectrum only at single site within the area proposed to be auctioned. Moreover, private wireless system users are not in the business of providing communications services, and don't want to be—so it is not in their interest to acquire, through auction, exclusive rights to the use of spectrum in a large fixed geographic area, when they will use only a small fraction of it, their site may change, and they lack both the expertise or the desire to rent out what they do not need.

Recognizing that auctions are ill-suited as a means of allocating spectrum to private wireless users, however, is not to say that the public should receive no compensation for the use of this public resource. Unfortunately, the desire to raise revenue from the sale of spectrum appears to have overtaken the need to ensure that spectrum is used efficiently and that current, economically valuable applications, are not disrupted by a rush to sell in order to raise revenue. The proposal in this measure to allow the Federal Communications Commission to collect lease fees for the use of private wireless spectrum is, I believe, a way to reintroducing some rationality into our spectrum management policies, while ensuring a return for the taxpayer.

The legislation we are introducing today, Mr. President, is not a final product. It stakes out, however, a very important claim, and that is the importance of the private wireless spectrum users to the smooth and efficient operation of our economy. I look forward to working with all interested parties to improve, and pass swiftly, this important measure.●

By Mr. ROCKEFELLER:

S. 1825. A bill to empower telephone consumers, and for other purposes; to the Committee on Commerce, Science, and Transportation.

THE PHONE BILL FAIRNESS ACT

Mr. ROCKEFELLER. Mr. President, I rise today to introduce the Phone Bill Fairness Act. I ask unanimous consent that the full text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1825

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Phone Bill Fairness Act''.

SEC. 2. FINDINGS; PURPOSE.

(a) FINDINGS.—Congress makes the following findings:

(1) Customer bills for telecommunications services are unreasonably complicated, and many Americans are unable to understand the nature of services provided to them and the charges for which they are responsible.

(2) One of the purposes of the Telecommunications Act of 1996 (Public Law 104–104) was to unleash competitive and market forces for telecommunications services.

(3) Unless customers can understand their telecommunications bills they cannot take advantage of the newly competitive market for telecommunications services.

(4) Confusing telecommunications bills allow a small minority of providers of telecommunications services to commit fraud more easily. The best defense against telecommunications fraud is a well informed consumer. Consumers cannot be well informed when their telecommunications bills are incomprehensible.

(5) Certain providers of telecommunications services have established new, specific charges on customer bills commonly known as ''line-item charges''.

(6) These line-item charges have proliferated and are often described with inaccurate and confusing names.

(7) These line-item charges have generated significant confusion among customers regarding the nature and scope of universal service and of the fees associated with universal service.

(8) The National Association of Regulatory Utility Commissioners adopted a resolution in February 1998 supporting action by the Federal Communications Commission to require interstate telecommunications carriers to provide accurate customer notice regarding the implementation and purpose of end-user charges for telecommunications services.

(b) PURPOSE.—It is the purpose of this Act to require the Federal Communications Commission and the Federal Trade Commission to protect and empower consumers of telecommunications services by assuring that telecommunications bills, including line-item charges, issued by telecommunications carriers nationwide are both accurate and comprehensible.

SEC. 3. INVESTIGATION OF TELECOMMUNICATIONS CARRIER BILLING PRACTICES.

(a) INVESTIGATION.—

(1) REQUIREMENT.—The Federal Communications Commission and the Federal Trade Commission shall jointly conduct an investigation of the billing practices of telecommunications carriers.

(2) PURPOSE.—The purpose of the investigation is to determine whether the bills sent by telecommunications carriers to their customers accurately assess and correctly characterize the services received and fees charged for such services, including any fees imposed as line-item charges.

(b) DETERMINATIONS.—In carrying out the investigation under subsection (a), the Federal Communications Commission and the Federal Trade Commission shall determine the following:

(1) The prevalence of incomprehensible or confusing telecommunications bills.

(2) The most frequent causes for confusion on telecommunications bills.

(3) Whether or not any best practices exist, which, if utilized as an industry standard, would reduce confusion and improve comprehension of telecommunications bills.

(4) Whether or not telecommunications bills that impose fees through line-item charges characterize correctly the nature and basis of such fees, including, in particular, whether or not such fees are required by the Federal Government or State governments.

(c) REVIEW OF RECORDS.—

(1) AUTHORITY.—For purposes of the investigation under subsection (a), the Federal Communications Commission and the Federal Trade Commission may obtain from any telecommunications carrier any record of such carrier that is relevant to the investigation, including any record supporting such carrier's basis for setting fee levels or percentages.

(2) USE.—The Federal Communications Commission and the Federal Trade Commission may use records obtained under this subsection only for purposes of the investigation.

(d) DISCIPLINARY ACTIONS.—

(1) IN GENERAL.—If the Federal Communications Commission or the Federal Trade Commission determines as a result of the investigation under subsection (a) that the bills sent by a telecommunications carrier to its customers do not accurately assess or correctly characterize any service or fee contained in such bills, the Federal Communications Commission or the Federal Trade Commission, as the case may be, may take such action against such carrier as such Commission is authorized to take under law.

(2) CHARACTERIZATION OF FEES.—If the Federal Communications Commission or the Federal Trade Commission determines as a result of the investigation under subsection (a) that a telecommunications carrier has characterized a fee on bills sent to its customers as mandated or otherwise required by the Federal Government or a State and that such characterization is incorrect, the Federal Communications Commission or the Federal Trade Commission, as the case may be, may require the carrier to discontinue such characterization.

(3) ADDITIONAL ACTIONS.—If the Federal Communications Commission or the Federal Trade Commission determines that such Commission does not have authority under

law to take actions under paragraph (1) that would be appropriate in light of a determination described in paragraph (1), the Federal Communications Commission or the Federal Trade Commission, as the case may be, shall notify Congress of the determination under this paragraph in the report under subsection (e).

(e) REPORT.—Not later than one year after the date of the enactment of this Act, the Federal Communications Commission and the Federal Trade Commissions shall jointly submit to Congress a report on the results of the investigation under subsection (a). The report shall include the determination, if any, of either Commission under subsection (d)(3) and any recommendations for further legislative action that such Commissions consider appropriate.

SEC. 4. TREATMENT OF MISLEADING TELECOMMUNICATIONS BILLS AND TELECOMMUNICATIONS RATE PLANS.

(a) FEDERAL TRADE COMMISSION.—The Federal Trade Commission shall treat any telecommunications billing practice or telecommunications rate plan that the Commission determines to be intentionally misleading as an unfair business practice under the Federal Trade Commission Act (15 U.S.C. 41 et seq.).

(b) FEDERAL COMMUNICATIONS COMMISSION.—The Federal Communications Commission shall, upon finding that any holder of a license under the Commission has repeatedly and intentionally engaged in a telephone billing practice, or has repeatedly and intentionally utilized a telephone rate plan, that is misleading, treat such holder as acting against the public interest for purposes of the Communications Act of 1934 (47 U.S.C. 151 et seq.).

SEC. 5. REQUIREMENTS FOR ALL BILLS FOR TELECOMMUNICATIONS SERVICES.

(a) AVERAGE PER MINUTE RATE CALCULATION.—Each telecommunications carrier shall display on the first page of each customer bill for telecommunications services the average per-minute charge of telecommunications services of such customer for the billing period covered by such bill.

(b) CALLING PATTERNS.—Each telecommunications carrier shall display on the first page of each customer bill for telecommunications services the percentage of the total number of telephone calls of such customer for the billing period covered by such bill as follows:

(1) That began on a weekday.

(2) That began on a weekend.

(3) That began from 8 a.m. to 8 p.m..

(4) That began from 8:01 p.m. to 7:59 a.m..

(5) That were billed to a calling card.

(c) AVERAGE PER-MINUTE CHARGE DEFINED.—In this section, the term ''average per-minute charge'', in the case of a bill of a customer for a billing period, means—

(1) the sum of—

(A) the aggregate amount of monthly or other recurring charges, if any, for telecommunications services imposed on the customer by the bill for the billing period; and

(B) the total amount of all per-minute charges for telecommunications services imposed on the customer by the bill for the billing period; divided by

(2) the total number of minutes of telecommunications services provided to the customer during the billing period and covered by the bill.

SEC. 6. REQUIREMENTS FOR TELECOMMUNICATIONS CARRIERS IMPOSING CERTAIN CHARGES FOR SERVICES.

(a) BILLING REQUIREMENTS.—Any telecommunications carrier shall include on the bills for telecommunications services sent to its customers the following:

(1) An accurate name and description of any covered charge.

(2) The recipient or class of recipients of the monies collected through each such charge.

(3) A statement whether each such charge is required by law or collected pursuant to a requirement imposed by a governmental entity under its discretionary authority.

(4) A specific explanation of any reduction in charges or fees to customers, and the class of telephone customer that such reduction, that are related to each such charge.

(b) UNIVERSAL SERVICE CONTRIBUTIONS AND RECEIPTS.—Not later than January 31 each year, each telecommunications carrier required to contribute to universal service during the previous year under section 254(d) of the Communications Act of 1934 (47 U.S.C. 254(d)) shall submit to the Federal Communications Commission a report on following:

(1) The total contributions of the carrier to the universal service fund during the previous year.

(2) The total receipts from customers during such year designed to recover contributions to the fund.

(c) ACTION ON UNIVERSAL SERVICE CONTRIBUTIONS AND RECEIPTS DATA.—

(1) REVIEW.—The Federal Communications Commission shall review the reports submitted to the Commission under subsection (b) in order to determine whether or not the amount of the contributions of a telecommunications carrier to the universal service fund in any year is equal to the amount of the receipts of the telecommunications carrier from its customers in such year for purposes of contributions to the fund.

(2) ADDITIONAL CONTRIBUTIONS.—If the Commission determines as a result of a review under paragraph (1) that the amount of the receipts of a telecommunications carrier from its customers in a year for purposes of contributions to the universal service fund exceeded the amount contributed by the carrier in such year to the fund, the Commission shall have the authority to require the carrier to deposit in the fund an amount equal to the amount of such excess.

(d) COVERED CHARGES.—For purposes of subsection (a), a covered charge shall include any charge on a bill for telecommunications services that is separate from a per-minute rate charge, including a universal service charge, a subscriber line charge, and a presubscribed interexchange carrier charge.

SEC. 7. TELECOMMUNICATIONS CARRIER DEFINED.

In this Act, the term ''telecommunications carrier'' has the meaning given that term in section 3(44) of the Communications Act of 1934 (47 U.S.C. 153(44)).

By Mr. MURKOWSKI:

S. 1826. A bill to provide grants to the State of Alaska for the purpose of assisting that State in fulfilling its responsibilities under sections 803, 804, and 805 of the Alaska National Interest Lands Conservation Act, and for other purposes; to the Committee on Energy and Natural Resources.

● Mr. MURKOWSKI. Mr. President, today I rise to introduce legislation regarding the State of Alaska's sovereign right to manage its fish and game resources. It is a sad day that I come to the floor of the United States Senate to inform my colleagues that for the first time since Alaska became a state it no longer has sole authority to manage its fisheries on federal lands.

For everyone of my colleagues their respective states right to manage fish and game is absolute—every state but Alaska manages all its own fish and game. As of October 1, in Alaska, this is not the case, and therefore, action must be taken to try and provide the opportunity for the state to regain this authority back as swiftly as possible.

Some background is in order here.

When Congress passed the Alaska National Interest Lands Conservation Act (ANILCA) in 1980, Title VIII required the State of Alaska to provide a rural subsistence hunting and fishing preference on federal ''public lands.'' If the State fails to provide the required preference by State statute, the law provided that the federal government would step in to manage the subsistence uses of fish and game resources on federal lands.

The Alaska State Legislature passed such a subsistence preference law in 1978 which was upheld by referendum in 1982. The law was slightly revised in 1986, and remained on the books until it was struck down by the Alaska Supreme Court in 1989 as unconstitutional because of the Alaska Constitution's common use of fish and game clause. It is easy to see how there would be a conflict between a federal law that requires the state to provide a preference for rural Alaskans for fish and game resources and a state constitution that provides for equal access. When the state statutes were struck down, the Secretary of the Interior and the Secretary of Agriculture, for Forest Service lands, took over management of fish and game resources on federal public lands in Alaska.

For the most part the early focus was on game management and little was done to impact Alaska's fisheries. That all changed in 1995 when a decision by the Ninth Circuit Court of Appeals in Katie John v. United States extended the law far beyond its original scope to apply not just to ''federal lands'' but to navigable waters owned by the State of Alaska. Hence State and private lands were impacted too. The theory espoused by the Court was that the ''public lands'' includes navigable waters in which the United States has reserved water rights. If implemented, the courts decision would mean all fisheries in Alaska could effectively be managed by the federal government. In April of 1996, the Departments of the Interior and Agriculture published an ''Advance Notice of Proposed Rulemaking'' which identified about half of the state as subject to federal authority to regulate fishing activities.

These regulations were so broad they could have affected not only fishing activities, but virtually all activities on state and federal lands that may have

an impact on subsistence uses. There is no precedent in any other State in the Union for this kind of overreaching into State management prerogatives. For that reason Congress acted in 1996 to place a moratorium on the federal government from implementing those regulations and assuming control of Alaska's fisheries. This moratorium was provided mainly to allow the State time to make appropriate changes to the constitution and relevant statutes in order to comply with the federal law. The moratorium was extended three times by Congress and just recently expired October 1, 1999.

The Governor, and the majority of the State legislators have worked to try and resolve this issue by adopting an amendment to the State constitution that would allow them to pass State statutes to come into compliance with the federal law and provide a subsistence priority. Unfortunately, the State of Alaska's Constitution is not easily amended and these efforts have fallen short of the necessary votes needed to place the issue before the Alaska voters. In fact, in the most recent special session a majority of the legislators voted to do just this. Unfortunately they were just two votes shy in the State Senate of the 2/3 majority needed to place the necessary amendment before the voters.

With the failure of the legislature to place a constitutional amendment on the ballot prior to October 1, 1999, we now find ourselves in a situation where the federal government has assumed control of subsistence fisheries in Alaska. Therefore, absent a lawsuit or major change to federal law, the only way the State can now regain management of the subsistence fisheries is if the Secretary were to certify that the citizens of Alaska voted on, and approved, a constitutional amendment and the State Legislature had approved appropriate State statutes to conform with ANILCA. Under the most optimistic circumstances, the absolute earliest this could occur would be after the general election in November of 2000—and more likely it would not occur until 2001 or 2002. This just cannot be allowed to continue without some effort to return management to Alaska as soon as possible.

The proposal I am introducing today would minimize the duration of federal control if the State legislature passes a constitutional amendment that would allow them to adopt laws to come into compliance with the federal law. This would continue to make sure the focus of a resolve remains on State action and not in the ill-placed hopes of some action by Congress.

Specifically, the proposal would do the following:

Provide that the State can regain management authority as soon as the Secretary certifies the State legislature has approved a constitutional amendment that would allow the State to comply with ANILCA.

As soon as the Secretary certifies the amendment, any unexpended funds that were provided to the Secretary as a result of the legislature's failure to act by October 1, 1999 are turned over to the State.

In order to continue to retain management the State must place the amendment on the ballot at the earliest date possible under State law.

The Secretary could manage subsistence again if the amendment is not adopted by the voters or if it is adopted but the State fails to adopt the needed state statutes at the end of the first legislative session after passage of the constitutional amendment.

At any time that the Secretary is managing subsistence fisheries in Alaska, he must comply with section 1308 of ANILCA which requires local hire.

Mr. President, I along with most Alaskans, believe that subsistence uses of fish and game should have a priority over other uses in the State. We have provided for such uses in the past, I have hunted and fished under those regulations and I respected and supported them and continue to do so now. I believe the State can again provide for such uses without significant interruption to the sport or commercial fisherman.

I also believe that Alaska's rural residents should play a greater role in the management and enforcement of fish and game laws in Alaska. They understand and live with the resources in rural Alaska. They see and experience the fish and game resources day in and day out. And, they are most directly impacted by the decisions made about use of those resources. They should bear their share of the responsibility for formulating fish and game laws as well as enforcing them.

It is my intention to ensure that at anytime the Secretary is managing any of Alaska's wildlife resources that he maximize the expertise of Alaska's Native people. I also hope the State would provide Alaska's rural residents a greater role as it seeks to resolve the subsistence dilemma once and for all. But until that happens, I cannot stand by and watch the federal government move into the State and assume control of the Alaska fish and game resources for an extended period of time. That is why I am providing for the earliest opportunity for the State to regain management.

I've lived under federal management during Alaska's territorial days and it does not work. In 1959 Alaskan's caught just 25.1 million salmon. Under State management we caught 218 million salmon in 1995.

Federal control would again be a disaster for the resource and those that depend on it.●

By Mr. GRAHAM:

S. 1827. A bill to provide funds to assist high-poverty school districts meet their teaching needs; to the Committee on Health, Education, Labor, and Pensions.

TRANSITION TO TEACHING ACT

Mr. GRAHAM. Mr. President, today I introduce legislation which is entitled ''Transition to Teaching. This legislation starts from a personal experience.

Bill Aradine is a first-year teacher. He tells me he is greatly enjoying his experience in the classroom. He has 150 students from the 9th to the 12th grade at North Marion High School near Ocala, FL. Mr. Aradine teaches automobile mechanics. He has sparked an interest in students that may lead many of them to rewarding, lucrative, and challenging careers. I know Mr. Aradine because I did one of my workdays—in fact, my most recent workday—at North Marion High School. It is the story I learned that day at North Marion that brings me to the Senate floor today.

Up to this point, it may not seem that unusual of a story—a beginning teacher facing new challenges—but Mr. Aradine brings something else to his first year at North Marion High School. He brings a previous career of 11 years on-the-job experience. He has years of experience in a local Chevrolet car dealership. He is now starting a second career as a teacher. The students look to him with a different perspective. When he says, you will need to know this if you are going to get the job done, they know he knows what he is talking about. Having just come directly from the industry, he teaches at the cutting edge.

The information he brings to his students is what he was actually doing in the workplace not that long ago. Mr. Aradine is also a bridge. He is a bridge between North Marion High School students and the world of employment. He offers them advice, counsel, and real-life connections to future jobs.

Mr. Aradine learned of the opening at the high school when one of the automobile mechanic's teachers retired. He applied for the job. He was allowed to obtain a temporary teaching certificate based on his prior work experience. He will take four courses over the next 3 years to obtain a permanent teaching certificate. North Marion High School principal, Walter Miller, could not be more pleased with the situation. Mr. Aradine is doing an excellent job with the students. North Marion High School was able to fill a vacancy and ease its teacher shortage.

More and more schools will be turning to teachers who are in their second career. The Washington Post of October 4 of this year remarks on the trend of professionals entering teaching after years of work in a nonacademic job.

Mr. President, I ask unanimous consent that at the end of my remarks, a

copy of an article entitled, ''Disillusioned Find Renewal in Classroom,'' be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See Exhibit 1.)

Mr. GRAHAM. Every August and September, another school year begins. Thousands of young Americans enter the classroom. Almost every year at this time, I hear from school districts throughout Florida about teacher shortages. What did I hear in 1999? I heard from Miami Dade that they had hired 1,700 new teachers for the 1999 school year but still had 300 vacancies to fill on the first day of classes. Hillsborough County, Tampa, hired 1,493 teachers for the start of the school year. They were still 238 teachers short when the first school bell rang. Orange County, Orlando, needed 1,300 teachers for the new year and still had 50 vacancies a month after school started.

These concerns will only get worse. Forty percent of current schoolteachers are over the age of 50. They are nearing retirement. Who will be the future role models to the next generation of Americans? Who will take their places in the classroom? The importance of having high quality teachers in sufficient numbers is crucial, if we are to look at the challenges facing education in the future.

Mr. President, I ask unanimous consent to have printed in the RECORD an article by Dr. Robert McCabe entitled, ''A Twenty-First Century Challenge: Underprepared Americans.''

There being no objection, the material was ordered to be printed in the RECORD, as follows:

A TWENTY FIRST CENTURY CHALLENGE: UNDERPREPARED AMERICANS

(By Robert H. McCabe)

The essential mission for higher education in the new America of the 21st Century will be creating opportunity for new populations. Higher education will be more important than every before, but the scope of services will be very different and should be dramatically expanded to match the changed environment. In short, the current emphasis on exclusion must shift to inclusion.

In the new America, we will be older, less white, and more diverse. Our workforce will shrink. Information technology will impact everything and everybody. Business will function in a global economy and unskilled jobs will be exported to low wage developing nations. The gap between the skills and competencies of Americans, and those required for an Information Age workforce will continue to widen, threatening the very well being of our nation.

As we enter the 21st Century we face three critical challenges: remaining competitive in a global economy; reversing the growth of a seemingly permanent and disenfranchised underclass; and developing a broad based workforce possessing Information Age skills. Whether or not we successfully meet these challenges will depend on the achievement of our educational system. The public schools, however, face ever greater difficulties. Increasing numbers of diverse children will enter the schools with significant educational and life deficiencies. Despite the school reforms that are sweeping the nation, it is virtually certain that increasing numbers of individuals will reach adulthood unprepared for 21st Century life and employment. Failure to educate these individuals would result in a catastrophic decline in our economy and standard of living. The role of higher education is critical. It must provide leadership in reshaping an educational system that is significantly more successful at all levels. Colleges will experience extraordinary enrollment growth from previously undeserved and underprepared populations. They must assist these Americans in achieving the higher order competencies necessary to succeed in the Information Age. To reach this goal, colleges must partner with public schools to participate in school reform. They must also insure that strengthened and well-supported college remedial education programs are available, primarily in community colleges, to rescue underprepared adults for their own benefit and to the benefit of the nation as a whole.

The following is a review of factors that will redefine the mission of higher education in the new America of the 21st Century.

BUSINESS/INDUSTRY AND WORK

In a global economy, business and industry will get its work done where it is least costly. Manufacturing is already moving from the United States to less developed nations where wages are lower. This trend will continue. Sustaining America's current prosperity will depend on its ability to lead and develop knowledge industries, which are based on a highly skilled and a more productive workforce. Brainpower and technology can multiply individual productivity, thus, compensating for higher wages and helping America to retain global competitiveness.

Experts believe—judging from successful economies already functioning in the new global environment—the countries that remain competitive in the next century are those with the highest overall literacy and educational levels—that is, nations, such as Germany and Japan, that have a strong ''bottom third.'' This should be a compelling wake up call for America because demographic trends indicate that the future U.S. work force will be increasingly composed of groups such as minorities and immigrants, who have disproportionately high rates of illiteracy and educational underachievement (Immerwahr et al. 1991 p. 15).

Beyond the basics, workers need additional skills to meet workforce demands—even if they hold the same job. Regardless of the product or service offered, the competitive workplace of today is a high-skill environment designed around technology and people who are technically competent.

A 1997 National Alliance of Business report, ''Job Cuts Out, High Skills In,'' states: ''With the explosion of technology in the workplace, skill level requirements are being ratcheted up by employers. Inventory, sales, marketing, expense analysis, communications, and correspondence are being one faster, better and cheaper, and with greater efficiency in the workplace'' (National Alliance of Business, p. 1).

Through turbulent years of reorganization, companies have raised skill requirements in order to hire employees with the competencies they need to be more competitive. More highly skilled workers have replaced employees with lower or outdated skills. Job elimination and downsizing have declined to their lowest levels in the decade, as companies are prepared for increased productivity and profitability. ''We're seeing the payoff after a decade of pain,'' says Eric Greenberg, director of management studies for the American Management association. ''The same forces that were costing jobs in the earlier years, such as restructuring, re-engineering and automation are now creating jobs that demand high skill levels. The people going out the door don't have them, the people coming in do'' (National Alliance of Business, 1997, p. 6).

At the same time that necessary skill levels are rising, the skills of American workers are declining—a bleak picture indeed. In 1995, The National Workforce Collabative estimated that the incidence of low basic workplace skills among U.S. workers ranging from 20 to 40 percent.

Business and Industry estimates that 80 percent of the 21st Century workforce will need some post-secondary education. In addition, they will need higher order information competencies as a base for life long continuing education. Today, fewer than half of Americans have achieved this level of competence and demographic changes indicate that in the future even fewer will be as well prepared.

DEMOGRAPHIC CHANGES

As the millennium approaches, stores analyzing the state of the nation and predicting its future fill the public discourse. Demographers can accurately describe what Newsweek magazine termed the ''face of the future'' (Morganthau 1997). In the 21st Century, the United States will become more ethnically diverse, more crowded and much older.

The greatest changes will occur in the Hispanic population. Today, Hispanics make up nearly 30 million people and 11 percent of the population. With high birthrates and high legal and illegal immigration, this share will continue to increase. Hispanic Americans average 2.4 to 2.9 children per couple, compared to white Americans average of just under two children per couple (Sivy 1997). In addition, the majority of today's immigrants are Hispanic, a trend that is expected to continue. Within the next seven years, Hispanics will overtake African Americans as the nation's largest minority. By 2005, Hispanics will number more than 36 million people compared to a projected 35.5 million African Americans. (Holmes 1998). By 2050, they are expected to comprise nearly one quarter of the total population, almost 96 million people. (Morganthau 1997). This growth is remarkable considering that in 1970 Hispanic accounted for just nine million citizens or roughly four percent of the national population (Population Reference Bureau 1999).

Virtually all of our growth will be from minorities, principally Hispanics. These groups are disproportionately poor, and thus, disproportionately educationally underprepared. To illustrate, African Americans are 13 percent of the general population and 40 percent of welfare recipients while Hispanics are 11 percent of the population and 22 percent of welfare recipients.

IMMIGRATION

Changing patterns of immigration are rearranging the face of America. Immigrants make up a significant portion of population growth. These new Americans differ in origin from those of earlier years. Between 1820 and 1967, 40 million of America's 44 million immigrants came from European countries. From 1968 to 1994, only three million of the 18 million immigrants came from Europe—a decrease from 90 percent to 17 percent. Today's immigrants come primarily from Latin

America and Asia, and most importantly, from underdeveloped nations. Unfortunately, the immigrant population that is a major source of future workers also adds to our underprepared population. In the early 20th Century, most European immigrants were also unskilled. At that time, however, work was predominantly unskilled, and the immigrants provided much needed unskilled manpower. Circumstances are now quite different. Less than 20 percent of today's jobs are unskilled. Few new immigrants arrive on our shores with the job skills that business and industry need, yet these ''new workers'' represent a key source of potential employees needed to fill the void created by retiring ''Baby Boomers''.

THE AGING OF AMERICA

In 1900, the average life expectancy was 48. Today it is 76. In addition, America's fertility rate has dropped below the 2.1 children per woman population replacement rate. In 1950, the average age of Americans was 21 while today it is 37. Demographer Samuel Preston reports that the population is rapidly growing older and will continue to do so in the next half century (1996). Between 1995 and 2010, the number of people 65 and older will grow slowly from 33.5 million to 39.4 million, as people born in the 1930s and early 1940s (when fertility was low) grow older. By contrast, between 2010 and 2030, with the ''Baby Boomers'' aging, the number will soar from 39.4 million to 69.3 million. Meanwhile, the population in the prime working ages of 20 to 59 will remain stationary at about 160 million. In 1900, there were 10 times as many children below 18 as there were adults over 65. By 2030, there will be slightly more people over 65 than under 18.

Most discussion about the aging of Americans has focused on the viability of Social Security and Medicare. The Social Security system uses a pay-as-you-go model whereby payments by current workers are used to pay benefits to retirees. The concept was that when current workers retire, new workers would be available to pay into the system to support their retirement. That is history. In the future, it will simply no longer be the case. When the system began, 17 to 20 workers paid in for each retired worker receiving benefits. By 1960, the ratio had fallen to five workers for each retiree. Today it is 3.4 to one and by 2020 there will only be two workers for each retiree. While this forecasts serious problems, they are not nearly as severe as the problem of a declining percentage of the population in the workforce. Quite simply, to sustain our economy, everyone in their prime work years will need to be in the workforce. They must be highly skilled and extremely productive to support more retirees.

POVERTY

With our high standard of living and prosperity, America continues to have a persistent underclass with more individuals living in poverty than other developed nations. This is an unacceptable, deeply imbedded and seemingly unresolvable American problem. In the 1950s and 1960s, a near national consensus believed that the problem of poverty and equal opportunity for all could and should be resolved. Today, cynicism has replaced optimism. People living in poverty feel there is no way out and that the system is rigged against them. Those supporting the dependent population are frustrated and angry and increasingly blame those who live in poverty for their own poor circumstances.

Politicans applaud the apparent successes of welfare reform efforts intended to quickly remove individuals from the welfare rolls. A closer look, however, reveals that the successes are more a result of a robust economy than successful reform programs. Many have only progressed from poverty to joining the working poor. Persistent poverty appears to be impervious to every attempt at improvement.

From kindergarten to college, poverty correlates more closely with academic deficiency than any other factor. The strong relationship between socio-economic status and educational achievement and the rising skill levels required for employment result in growing numbers from impoverished neighborhoods being undereducated for 21st Century jobs. These underprepared individuals add to the nation's unemployed, are dependent on the society and expand the gap between the haves and have nots—a destructive and dangerous situation.

THE NEW AMERICAN FAMILY

Today, nearly half of all American children experience the breakup of their parents' marriage. Family arrangements are diverse, and increasingly, do not involve a full-time father. In 1963, 77 percent of white children, 65 percent of Hispanic children, and 36 percent of African American children lived in two-parent families. By 1991, only half of the United States' children and teens lived in a traditional nuclear family. Fifth percent of white children live with a divorced mother; while 54 percent of African American children and 33 percent of Hispanic children have mothers who have never married (McCabe and Day 1998, p. 7). More children are born to unmarried women, 33 percent in 1994 compared with 5 percent in 1960 (Preston 1996). Even those children from a two-parent household spend less family time together. About 70 percent of mothers with children at home are working (Edmondson 1997). Children are often shuttled between day care centers, baby sitters, and extended family members.

According to Prather (1995), ''There are three problems that impact the learning abilities of young children that are exacerbated by the changing structures of families: Insufficient parenting, poor prenatal care, and inadequate health care.'' One-fourth of the pregnant women in America, particularly those who live in poverty, receive no prenatal care. Problems in the womb often lead to learning disabilities and other cognitive disorders.

Recent brain development research indicate that ''wiring'' of neurons occurs after birth, and that experience during infancy and early childhood plays a critical role in defining an individual's capacity to learn. The child's brain and central nervous system develop rapidly during the first three years of life in response to parental attention and stimulation, such as talking, seeing and playing. Absence of these critical early child care experiences, can result in permanent loss of learning capacity. This obviously occurs more frequently in single parent families because there is less time available for the children.

Children who suffer from inadequate economic resources and parental attention are children at risk of school failure. When these students progress into secondary schools, they are often tucked away in a holding pattern in general studies programs, and other programs that set lower expectations and develop less information competency. These students are destined to become underprepared adults.

The decline in the traditional family and the rising percentage of children born into poverty raises the question of whether children of the 21st Century will be sufficiently nurtured and prepared to mature to the productive adults that America needs.

At the heart of the United States' future will be the changing concept of family—a kind of new social demographics. Tomorrow's family will be less traditional and more complex. The 1950s nuclear family with the father as the sole breadwinner will be a distant memory. Instead, family life will be plagued by much of the same problems it suffers from today—divorce, single parenting, and a fractured and harried household.

Taken together—an analysis of demographics and family structure—we have a clear picture of the 21st Century. The United States will be crowded, diverse, older, and Americans will be less well prepared for employment. But what then does all this really mean? How will these changes influence everyday life? How well will we prepare our children for the future? What challenges will they face? How will we care for our elderly, infirm, and needy?

EDUCATING A MAJORITY MINORITY NATION

The demographic realities—particularly the growing diversity—will have the greatest impact on our education system. We know that by 2020 half of the nation's youth will be ''minority.'' But what is most striking about this statistic is the shifting concept of minority. Demographer Hodgkinson explains that educating tomorrow's minority will be more complicated because of who they are. Between 1820 and 1945, the nations that sent us the largest numbers of immigrants were (in rank order): Germany, Italy, Ireland, United Kingdom, Soviet Union, Canada, and Sweden. The nations that send us the most immigrants now and through the year 2000 are (in rank order): Mexico, Philippines, Korea, China/Taiwan, India, Cuba, Dominican Republic, Jamaica, Canada, Vietnam, United Kingdom, and Iran (Hodgkinson 1993).

This shift indicates a clear transformation. The United States has gone from a nation of Europeans with a common European culture to a nation of the world. Students from all over the world will be in the same classrooms—making our schools truly international in composition (Hodgkinson 1993). The change brings with it a set of unique instructional problems. In the past, schools could use the European commonality to socialize immigrant children. Today, children come to classrooms with different diets, different religions, different individual and group loyalties, different music, and different languages.

Tommorrow's students will be problematic for an even more profound reason—their lack of academic skills. Teachers will not only struggle with their diversity but also with their poor language skills and lack of educational attainment. Minorities have traditionally lagged behind academically. Educational policy makers often view them as an afterthought—gearing their decisions to the more successful white majority. As the demographics shift, however, educators will face a nation dominated by struggling students, at the same time more must complete their education with higher order skills.

The statistics illustrate a wide educational gap between minorities and non-minorities. In 1996, 30 percent of Hispanics had less than a ninth grade education, compared with 10 percent of African Americans and only about five percent of whites. Little more than one-half (53 percent) of Hispanics ages 25 or older had completed high school, and less than 10 percent had at least a bachelor's degree. Nearly 85 percent of non-Hispanic adults

were high school graduates, and nearly 25 percent were college graduates (del Pinal 1997). The high school dropout rate—the percentage of people, ages 16 to 24, who do not have a high school diploma—reflects a similar disparity. In 1993, 27.5 percent of Hispanic students, 13.6 percent of African American students, and 7.9 percent of white students fell into this category (Coley 1995).

Minority children start two or three steps behind their white counterparts. They start elementary school with fewer social skills and lower language skills than their white counterparts (del Pinal 1997). Their path of underachievement then continues throughout their academic career.

SUMMARY

A series of circumstances are converging to create a 21st Century American dilemma that threatens the nation's economic and societal well being. The global economy is forcing manufacturing and businesses that utilize less skilled labor out of the country. The nation's hope for continued prosperity is to be the leader of the world's knowledge industries. This requires a highly skilled, highly productive workforce. Formidable obstacles must be overcome to reach that goal. With the aging population, the percentage of individuals in their primary work years will decline. It is, therefore, necessary to insure that the maximum number of Americans are well prepared and in the workforce. They will have to be more productive both to offset the competitive low salaries in less developed countries and to support the growing number of elderly. America does not have any one to waste!

Virtually all of our population growth will be from groups that are disproportionately underprepared—immigrants mostly from Third World countries, and minorities, principally Hispanic, who are disproportionately poor. Changes in the American family will also contribute to underpreparation. Changing family and work circumstances result in poor parenting practices that are linked to early children sensory deprivation and learning disabilities. Due to the hardships of growing numbers of single parent families, children's social, physical and educational progress is impeded.

The workforce could be both undersized and disproportionately underskilled. It would be unable to sustain a knowledge based economy and our quality of life.

America must depend on education to avert this pending national crisis. Despite reforms and hoped for improvements in the public schools, more Americans will reach adulthood underprepared. States are now taking school reform seriously and there is evidence of some improvement. The task, however, is monumental. The public schools cannot be expected to solve it alone.

The following graph dramatically demonstrates the scope of the problem. Currently, 85 percent of young Americans graduate from high school, 56 percent enter college and, unfortunately, only 39 percent are prepared for college work. This means that unless there is tremendous improvement, less than 40 percent of young Americans will be prepared for the 80 percent of high skill jobs. Sixty percent will only be prepared for the 20 percent of low skill jobs. It will be the essential and daunting task of public schools and college remedial programs to raise the 39 percent prepared to 80 percent. Substantially more students need to achieve higher skills at the same time large numbers of children will enter the educational system with serious life and educational deficiencies.

The great strength of America is the belief in the value of every individual and the commitment to equal opportunity for all. Higher education can do nothing more important and more difficult than helping the underprepared achieve educational parity. Higher education leadership is essential in meeting this challenge. Colleges must join with public schools in unified efforts to raise the educational achievements of all children. They must also insure the availability of quality remedial education programs, primarily in community colleges. This will assure that the critical final bridge to full participants in our society is available to everyone.

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Mr. GRAHAM. Dr. McCabe raises several crucial demographic and societal changes that will affect American education in the coming years. Let me mention two of these issues.

First, the American family structure will change in the coming decades. Half of all children will spend some of their childhood in single-parent homes and are more likely to live in poverty.

Of the children who grow up in a nuclear family, very often both of their parents will work; thus, they will be less able to be involved in the child's school and schoolwork. That is what is happening to American families. That is what will increasingly in the family environment from which American schoolchildren will enter the classroom. But as they exit the classroom, societal expectations for students upon graduation will be greater.

In the middle of this century, 50 years ago, 20 percent of American jobs required a specific skill. At the end of this century, today, 80 percent of jobs need skilled workers. Thus, the American student will need to graduate from school better prepared for the high-tech world than ever before; but single-parent families and dual-income families, in general, will face more challenges in being able to be actively involved in the support of that child's education.

These challenges, and others, will face the American educational system. I rise today to take one step forward in easing the nationwide teacher shortage and offering challenging new opportunities for America's professional working people by introducing the Transition to Teaching Act of 1999.

Senator KENNEDY is to be commended for his work in including similar language in the Elementary and Secondary Education Reauthorization Bill. Representatives JIM DAVIS of Florida and TIM ROEMER of Indiana have taken the lead in the House of Representatives on this issue.

We have a very successful model on which to build the Transition to Teaching program. Since 1994, the Troops to Teachers program has brought more than 3,000 retired military personnel to our classrooms, particularly as math, science, and technology teachers.

Schools in my State of Florida have benefitted by more than 270 individuals who have successfully completed the Troops to Teachers program, and are bringing their life experience to the classroom today.

Troops to Teachers, and now Transition to Teaching, assist in overcoming two of the main obstacles that mid-career professionals face when they want to become a teacher. It is not impossible to do this now, as Mr. Aradine has shown; but this legislation will assist with and simplify the process.

The first issue that is addressed involves teaching colleges within universities. These teaching colleges are often set up for the traditional students in their early twenties, right out of high school, just starting their new lives.

These programs are generally taken over a multiyear period as a full-time college student. This legislation encourages teaching colleges to develop curriculum suitable for an individual who already has many years of experience. These programs are more streamlined, more flexible in school hours, and recognize that the mid-career student brings more life and work experience than does a traditional college student.

By developing such programs, teaching colleges can maintain high standards, but allow a mid-career worker, making the change into teaching to become certified in a more efficient, streamlined manner.

Teaching colleges are also asked to develop programs to maintain contact with and support for these new teachers during at least their first year in the classroom.

Second, Transition to Teaching will assist teachers who come to the profession in mid-career in a very tangible way.

Grants will be awarded, up to $5,000 per participant, to offset the costs of becoming a certified teacher. Why are these grants appropriate? The traditional college student comes directly from a family setting. They typically have limited personal or family financial obligations. In contrast, people like Mr. Aradine have their own families, spouses, children, and they have a house and car payments. They have the kind of financial obligations that would be typical of any mid-career adult. They would need this financial assistance in order to give them that little degree of support and help that will allow them to make this transition to become a certified teacher and move into a second career in the classroom.

Thus, this legislation deals with two of the biggest obstacles to becoming a teacher in mid-career. The certification process is streamlined, and stipends are provided to offset the cost of this additional education.

The success can be highlighted best with a personal story—a personal story, not like Mr. Aradine who is in his first year, but the personal story of a man who is already well into his second career. Ronald Dyches grew up in a military family. His father was a noncommissioned officer. When Mr. Dyches attended college at Sam Houston State, he followed in his family's military footsteps and enrolled in the ROTC.

When he graduated, he became a commissioned officer in the U.S. Army. For more than 21 years, Mr. Dyches served our Nation as an Army intelligence officer, living throughout the United States and Europe. He feels the highlight of his career were the three years he spent on General Norman Schwartzkopf's staff at MacDill Air Force Base in Tampa during the Gulf war. Mr. Dyches retired from the Army in 1995. But you can say his service to the country did not end.

With the help of the Troops to Teachers program, Mr. Dyches began a second career teaching social studies at Bloomingdale High School in Brandon, FL. He has been on the faculty at Bloomingdale since 1995—and this year he is teaching three periods of Honors World History and two periods of an elective class that he created: The History of the Vietnam War.

Mr. Dyches' military experiences are an integral part of his classroom teaching. In addition to developing new elective courses, such as the one on the Vietnam war, Mr. Dyches uses the wealth of knowledge acquired living and working twelve years in Europe with the military to enliven his World History class. With his background, he offers advice and counsel to students including those considering a military career or wishing to attend one of the Nation's service academies.

Mr. Dyches feels that this classroom experience would not have been possible without the Troops to Teachers program. It rekindled his interest in teaching from his college days, and it opened doors to certification that would have been closed to him.

In some sense, Troops to Teachers helps make ''perfect marriages.'' Bloomingdale High School needed a social studies teacher. Ron Dyches needed a challenging, rewarding second career. He, the school, and all of Bloomingdale's students have benefited from this perfect marriage.

Other professionals, other workers, should be allowed to follow in the footsteps of the retired military personnel like Mr. Dyches, who have set such a shining example for us and the students that they serve.

Law enforcement, attorneys, business leaders, scientists, entrepreneurs, technically competent men and women, and others in the private sector should be encouraged to share their wisdom with students.

As I mentioned, under the Transition to Teaching Act, colleges and universities would be awarded grants to design educational programs modeled after Troops to Teachers to train mid-career professionals, and others, to become teachers.

Individuals would be eligible for grants of up to $5,000 to pay for the courses and training they need to become qualified teachers.

In return for the training, the new teachers would agree to teach in low-income schools, determined by the percentage of title I students in the school population, for three years.

This legislation is timely. We are on the cusp of retirement of millions of baby boomers.

By encouraging recent retirees, or mid-career professionals, to become certified through Transition To Teaching and spend a few years in the classroom, we will bring the life skills of experienced professionals to our youngest citizens.

I encourage my colleagues to support this legislation.

Our nation's children deserve our best efforts to provide them with a world class education that they will need in the 21st century.

EXHIBIT 1

DISILLUSIONED FIND RENEWAL IN CLASSROOM—NEW TEACHERS COMING FROM OTHER PROFESSIONS

(By Liz Seymour)

To become a teacher, Mary Ann Richardson left a $113,000-a-year job lobbying Congress as a U.S. deputy assistant secretary in the Labor Department.

Now she's a 46-year-old intern at Falls Church High School, a substitute teacher in history, government and civics without her own classroom or even her own desk. Next year, after she receives her master's degree in education, she will be applying for teaching jobs that pay about $80,000 a year less than what she used to earn.

She grapples with a new identity and the loss of family income that she worked 16 years to get and will never see again. But, she said, ''when those kids look up to you or they're having a crisis and you can help . . . I can tell you right now, I have found a purpose.''

The teaching profession, shunned for decades by college graduates in search of higher pay and prestige, is attracting a growing number of people who started their careers in another field. Some are downsized corporate executives who've heard about the national teacher shortage and are enticed by the job security. Others, like Richardson, are disenchanted lawyers and lobbyists who found that their high salaries did not make up for job pressures.

They are being lured, too, by an easing of teacher licensing requirements for career-switchers in many states and school districts, a trend that is likely to continue as the national teacher shortage worsens.

About 55 percent of the students currently enrolled in post-undergraduate teaching programs started their careers in another field, according to a study to be released this week by the National Center for Education Information, a Washington-based think tank. The study also found that 27 percent of universities have programs solely for second-career teachers, up from 3 percent in 1984.

Officials in several Washington area school districts said they are seeing more people like Richardson, although they do not keep such figures.

''People used to be driven by the financial rewards of their career,'' said Kevin North, the director of employment for Fairfax County schools. ''People are starting to step back and say, 'Other things are more important to me, and I want something more fulfilling.' ''

Second-career teachers are appealing job candidates in several respects, said Linda Darling-Hammond, a professor of education at Stanford University and director of the National Commission on Teaching & America's Future. They are more mature than first-career teachers and often have experience with children through parenting. And because their decision to teach usually requires a substantial pay cut, they tend to have a deeper commitment to public education, she said.

Jerome ''Rick'' Peck, 55, a first-year science teacher at Loudoun County's Seneca Ridge Middle School, said the biggest attribute he brings to the classroom is ''the ability to say to the kids—and to mean it and to know it—'Hey, this is something you're going to need later in life.' ''

A certified public accountant with a master's degree in business administration from the Wharton School, Peck was earning a six-figure salary as chief financial officer of a magazine publishing company until it was sold a few years ago. He was financially secure and his decision to teach was ''really selfish,'' Peck insists, because he saw it as something he would enjoy.

Five weeks into the school year, he still feels that way. But the transition hasn't been easy. He is mired in more paperwork than he expected. Many of his students fared poorly on the first test he gave, about the

metric system, and some complained that he was lecturing too fast.

''When it comes to teaching, I'm definitely still learning,'' Peck said.

James R. Fields, 38, a former supervisor at United Parcel Service, is studying for his master's degree in education at George Washington University and substitute teaching at Sligo Middle School in Silver Spring.

Fields was earning $59,000 a year after 14 years at UPS. But when he moved from the Miami area to Montgomery County to get married, the company wouldn't transfer him.

He probably won't earn more than $35,000 a year when he gets a full-time teaching job next year. Fields said he is lucky that his wife, a gynecologist, has a salary that allows him to pursue teaching.

Fields, who is African American, said he hopes to be a strong influence on young black males. But right now, his main goal is to learn the routines of running a classroom. He said it's a challenge sometimes just to get his students to settle down—never mind actually paying attention and comprehending his lessons.

''It's kind of tough as a sub—[the students] think it's a field day,'' Fields said. ''In a sense I see that as a plus; you quickly develop some classroom management skills.''

Tom Brannan, 52, quit his $83,000-a-year job as an assistant city manager in Alexandria to enroll in the master's degree program at George Washington. He enjoyed many aspects of his job but not the long hours and frenetic pace. Time with his family was often cut short, he said.

In just a few weeks as a substitute teacher at Fairfax's George Marshall High School, Brannan already has seen rewards. One day, he was assigned on short notice to teach a history class, with little time to prepare a lesson. After sweating out the period, the bell rang and the students filed out. One stopped to ask him: ''Are you gonna be back any time soon?''

Career-switchers typically take fewer education courses than students who go into teaching as a first career but often get more field work in schools.

Despite the growing calls from politicians and school officials to streamline the certification process for second-career teachers, they may still face challenges getting hired, said C. Emily Feistritzer, president of the National Center for Education Information.

Some may possess several advanced degrees, which would put them at a higher pay scale than most beginning teachers. Feistritzer said she has spotted another hurdle: Principals are sometimes less inclined to put older adults on their teaching staff because they won't be as easy to supervise as a 22-year-old college graduate.

Amy Harris is 26, younger than many of the other teachers who started in a different profession. She gave up a job at a brokerage firm in Minneapolis to lead 27 fifth-graders at Loudoun's Cool Spring Elementary School. Although she didn't take much of a pay cut to become a teacher, she eventually would have earned far more if she'd stayed in financial services.

She acknowledges that she second-guesses her decision once a month, when she writes a check to pay down $25,000 in debt from graduate school loans. But she is energized by her students. ''I really enjoy their wit and their cleverness,'' she said.

Richardson's journey toward teaching began last year, when her mother was dying. She came to live with Richardson for the last four months of her life, during which mother and daughter had many soul-searching talks about careers, family and, above all, happiness.

''She said, 'Look, you've got about 20 years [of working] left—you need to do what you think is important and what you want to do.' '' Richardson recalled.

Richardson, whose husband is an archivist, has put her two children on strict allowances to reduce household expenses since she quit her high-paying Labor Department job.

The worst of it, she said, is being viewed as an inexperienced newcomer at age 46.

''I worry that when I get done with this program, I have to start over and sell myself again,'' she said. ''If I get through this, they should want me!''

Mr. GRAHAM. Mr. President, I send to the desk the legislation and ask for its appropriate reference.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

By Mr. MOYNIHAN (by request):

S. 1828. A bill to protect and provide resources for the Social Security System, to reserve surpluses to protect, strengthen and modernize the Medicare Program, and for other purposes; to the Committee on Finance.

THE STRENGTHEN SOCIAL SECURITY AND MEDICARE ACT OF 1999

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that the following letter of transmittal from the White House be printed in the RECORD, following the text of the bill.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1828

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Strengthen Social Security and Medicare Act of 1999.''

SEC. 2. FINDINGS AND PURPOSE.

(a) FINDINGS.—The Congress finds that:

(1) The Social Security system is one of the cornerstones of American national policy and has allowed a generation of Americans to retire with dignity. For 30 percent of all senior citizens, Social Security benefits provide almost 90 percent of their retirement income. For 66 percent of all senior citizens, Social Security benefits provide over half of their retirement income. Poverty rates among the elderly are at the lowest level since the United States began to keep poverty statistics, due in large part to the Social Security system. The Social Security system, together with the additional protections afforded by the Medicare system, have been an outstanding success for past and current retirees and must be preserved for future retirees.

(2) The long-term solvency of the Social Security and Medicare trust funds is not assured. There is an estimated long-range actuarial deficit in the Social Security trust funds. According to the 1999 report of the Board of Trustees of the Social Security trust funds, the accumulated balances in the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund are currently projected to become unable to pay benefits in full on a timely basis starting in 2034. The Medicare system faces more immediate financial shortfalls, with the Hospital Insurance Trust Fund projected to become exhausted in 2015.

(3) In addition to preserving Social Security and Medicare, the Congress and the President have a responsibility to future generations to reduce the Federal debt held by the public. Significant debt reduction will contribute to the economy and improve the Government's ability to fulfill its responsibilities and to face future challenges, including preserving and strengthening Social Security and Medicare.

(4) The Federal Government is now in sound financial condition. The Federal budget is projected to generate significant surpluses. In fiscal years 1998 and 1999, there were unified budget surpluses—the first consecutive surpluses in more than 40 years. Over the next 15 years, the Government projects the on-budget surplus, which excludes Social Security, to total $2.9 trillion. The unified budget surplus (including Social Security) is projected by the Government to total $5.9 trillion over the next 15 years.

(5) The surplus, excluding Social Security, offers an unparalleled opportunity to: preserve Social Security; protect, strengthen, and modernize Medicare; and significantly reduce the Federal debt held by the public, for the future benefit of all Americans.

(b) PURPOSE.—It is the purpose of this Act to protect the Social Security surplus for debt reduction, to extend the solvency of Social Security, and to set aside a reserve to be used to protect, strengthen, and modernize Medicare.

SEC. 3. ADDITIONAL APPROPRIATIONS TO FEDERAL OLD-AGE AND SURVIVORS INSURANCE TRUST FUND AND FEDERAL DISABILITY INSURANCE TRUST FUND.

(a) PURPOSE.—The purpose of this section is to assure that the interest savings on the debt held by the public achieved as a result of Social Security surpluses from 2000 to 2015 are dedicated to Social Security solvency.

(b) ADDITIONAL APPROPRIATION TO TRUST FUNDS.—Section 201 of the Social Security Act is amended by adding at the end the following new subsection:

''(n) ADDITIONAL APPROPRIATION TO TRUST FUNDS.

''(1) In addition to the amounts appropriated to the Trust Funds under subsections (a) and (b), there is hereby appropriated to the Trust Funds, out of any moneys in the Treasury not otherwise appropriated—

''(A) for the fiscal year ending September 30, 2011, and for each fiscal year thereafter through the fiscal year ending September 30, 2016, an amount equal to the prescribed amount for the fiscal year; and

''(B) for the fiscal year ending September 30, 2017, and for each fiscal year thereafter through the fiscal year ending September 30, 2044, and amount equal to the prescribed amount for the fiscal year ending September 30, 2016.

''(2) The amount appropriated by paragraph (1) in fiscal year shall be transferred in equal monthly installments.

''(3) The amount appropriated by paragraph (1) in each fiscal year shall be allocated between the Trust Funds in the same proportion as the taxes imposed by chapter 21 (other than sections 3101(b) and 3111(b)) of Title 26 with respect to wages (as defined in section 3121 of Title 26) reported to the Secretary of the Treasury or his delegate pursuant to subtitle F of Title 26, and the taxes imposed by chapter 2 (other than section 1401(b)) of Title 26 with respect to self-employment income (as defined in section 1402 of Title 26) reported to the Secretary of the Treasury or his delegate pursuant to subtitle F of Title 26, are allocated between the Trust

Funds in the calendar year that begins in the fiscal year.

''(4) For purposes of this subsection, the ''prescribed amount'' for any fiscal year shall be determined by multiplying:

''(a) the excess of:

''(i) the sum of:

''(I) the face amount of all obligations of the United States held by the Trust Funds on the last day of the fiscal year immediately preceding the fiscal year of determination purchased with amounts appropriated or credited to the Trust Funds other than any amount appropriated under paragraph (1); and

''(II) the sum of the amounts appropriated under paragraph (1) and transferred under paragraph (2) through the last day of the fiscal year immediately preceding the fiscal year of determination, and an amount equal to the interest that would have been earned thereon had those amounts been invested in obligations of the United States issued directly to the Trust Funds under subsections (d) and (f)

''over—

''(ii) the face amount of all obligations of the United Sates held by the Trust Funds on September 30, 1999,

''times—

''(B) a rate of interest determined by the Secretary of the Treasury, at the beginning of the fiscal year of determination, as follows:

''(i) if there are any marketable interest-bearing obligations of the United States then forming a part of the pubic debt, a rate of interest determined by taking into consideration the average market yield (computed on the basis of daily closing market bid quotations or prices during the calendar month immediately preceding the determination of the rate of interest) on such obligations; and

''(ii) if there are no marketable interest-bearing obligations of the United States then forming a part of the public debt, a rate of interest determined to be the best approximation of the rate of interest described in clause (i), taking into consideration the average market yield (computed on the basis of daily closing market bid quotations or prices during the calendar month immediately preceding the determination of the rate of interest) on investment grade corporate obligations selected by the Secretary of the Treasury, less an adjustment made by the Secretary of the Treasury to take into account the difference between the yields on corporate obligations comparable to the obligations selected by the Secretary of the Treasury and yields on obligations of comparable maturities issued by risk-free government issuers selected by the Secretary of the Treasury.''.

SEC. 4. PROTECTION OF SOCIAL SECURITY SURPLUSES.

(a) POINTS OF ORDER TO PROTECT SOCIAL SECURITY SURPLUSES.—Section 312 of the Congressional Budget Act of 1974 is amended by adding at the end the following new subsection:

''(g) POINTS OF ORDER TO PROTECT SOCIAL SECURITY SURPLUSES.—

''(1) CONCURRENT RESOLUTIONS ON THE BUDGET.—It shall not be in order in the House of Representatives or the Senate to consider any concurrent resolution on the budget, or conference report thereon or amendment thereto, that would set forth an on-budget deficit for any fiscal year.

''(2) SUBSEQUENT LEGISLATION.—It shall not be in order in the House of Representatives or the Senate to consider any bill, joint resolution, amendment, motion, or conference report if—

''(A) the enactment of that bill or resolution as reported;

''(B) the adoption and enactment of that amendment; or

''(C) the enactment of that bill or resolution in the form recommended in that conference report,

would cause or increase an on-budget deficit for any fiscal year.

''(3) BUDGET RESOLUTION BASELINE.—(A) For purposes of this section, ''set forth an on-budget deficit'', with respect to a budget resolution, means the resolution set forth an on-budget deficit for a fiscal year and the baseline budget project of the surplus or deficit for such fiscal year on which such resolution is based projects an on-budget surplus, on-budget balance, or an on-budget deficit that is less than the deficit set forth in the resolution.

''(B) For purposes of this section, ''cause or increase an on-budget deficit'' with respect to legislation means causes or increases an on-budget deficit relative to the baseline budget project.

''(C) For purposes of this section, the term ''baseline budget projection'' means the projection described in section 257 of the Balanced Budget and Emergency Deficit Control Act of 1985 of current year levels of outlays, receipts, and the surplus or deficit into the budget year and future years, except that—

''(i) if outlays for programs subject to discretionary appropriations are subject to discretionary statutory spending limits, such outlays shall be projected at the level of any applicable current adjusted statutory discretionary spending limits;

''(ii) if outlays for programs subject to discretionary appropriations are not subject to discretionary spending limits, such outlays shall be projected as required by section 257 beginning in the first fiscal year following the last fiscal year in which such limits applied; and

''(iii) with respect to direct spending or receipts legislation previously enacted during the current calendar year and after the most recent baseline estimate pursuant to section 257 of the Balanced Budget and Emergency Deficit Control Act of 1995, the net extent (if any) by which all such legislation is more than fully paid for in one of the applicable time periods shall count as a credit for that time period against increases in direct spending or reductions in net revenue.''.

(b) CONTENT OF CONCURRENT RESOLUTION ON THE BUDGET.—Section 301(a) of the Congressional Budget Act of 1974 is amended by redesignating paragraphs (6) and (7) as paragraphs (7) and (8), respectively, and by inserting after paragraph (5) the following new paragraph:

''(6) the receipts, outlays, and surplus or deficit in the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund, combined, established by title II of the Social Security Act;''.

(c) SUPER MAJORITY REQUIREMENT.—

(1) Section 904(c)(1) of the Congressional Budget Act of 1974 is amended by inserting ''312(g),'' after ''310(d)(2),''.

(2) Section 904(d)(2) of the Congressional Budget Act of 1974 is amended by inserting ''312(g),'' after ''310(d)(2),''.

SEC. 5. PROTECTION OF MEDICARE.

(a) POINTS OF ORDER TO PROTECT MEDICARE.—

(1) Section 301 of the Congressional Budget Act of 1974 is amended by adding at the end the following:

''(j) POINT OF ORDER TO PROTECT MEDICARE.—

(1) IN GENERAL.—It shall not be in order in the House of Representatives or the Senate to consider any concurrent resolution on the budget (or amendment, motion, or conference report on the resolution) that would decrease the on-budget surplus for the total of the period of fiscal years 2000 through 2009 below the level of the Medicare surplus reserve for those fiscal years as calculated in accordance with section 3(11).

''(2) INAPPLICABILITY.—This subsection shall not apply to legislation that—

''(A) appropriates a portion of the Medicare reserve for new amounts for prescription drug benefits under the Medicare program as part of or subsequent to legislation extending the solvency of the Medicare Hospital Insurance Trust Fund; or

''(B) appropriates new amounts from the general fund to the Medicare Hospital Insurance Trust Fund.''.

(2) Section 311(a) of the Congressional Budget Act of 1974 is amended by adding at the end the following:

''(4) ENFORCEMENT OF THE MEDICARE SURPLUS RESERVE.—

''(A) IN GENERAL.—It shall not be in order in the House of Representatives or the Senate to consider any bill, joint resolution, amendment, motion, or conference report that together with associated interest costs would decrease the on-budget surplus for the total of the period of fiscal years 2000 through 2009 below the level of the Medicare surplus reserve for those fiscal years as calculated in accordance with section 3(11).

''(B) INAPPLICABILITY.—This paragraph shall not apply to legislation that—

''(i) appropriates a portion of the Medicare reserve for new amounts for prescription drug benefits under the Medicare program as part of or subsequent to legislation extending the solvency of the Medicare Hospital Insurance Trust Fund; or

''(ii) appropriates new amounts from the general fund to the Medicare Hospital Insurance Trust Fund.''.

(b) DEFINITION.—Section 3 of the Congressional Budget Act of 1974 is amended by adding at the end the following:

''(11) The term 'Medicare surplus reserve' means one-third of any on-budget surplus for the total of the period of the fiscal years 2000 through 2009, as estimated by the Congressional Budget Office in the most recent initial report for a fiscal year pursuant to section 202(e).''.

(c) SUPER MAJORITY REQUIREMENT.—

(1) Section 904(c)(2) of the Congressional Budget Act of 1974 is amended by inserting ''301(j),'' after ''301(i),''.

(2) Section 904(d)(3) of the Congressional Budget Act of 1974 is amended by inserting ''301(j),'' after ''301(i),''.

SEC. 6. EXTENSION OF DISCRETIONARY SPENDING LIMITS.

(a) EXTENSION OF LIMITS.—Section 251(b)(2) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended, in the matter before paragraph (A), by deleting ''2002'', and inserting ''2014''.

(b) EXTENSION OF AMOUNTS.—Section 251(c) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by striking paragraphs (4), (5), (6) and (7), and inserting the following:

''(4) With respect to fiscal year 2000,

''(A) for the discretionary category: $535,368,000,000 in new budget authority and $543,257,000,000 in outlays;

''(B) for the highway category: $24,574,000,000 in outlays;

''(C) for the mass transit category: $4,117,000,000 in outlays; and

''(D) for the violent crime reduction category: $4,500,000,000 in new budget authority and $5,564,000,000 in outlays;

''(5) With respect to fiscal year 2001,

''(A) for the discretionary category: $573,004,000,000 in new budget authority and $564,931,000,000 in outlays;

''(B) for the highway category: $26,234,000,000 in outlays; and

''(C) for the mass transit category: $4,888,000,000 in outlays;

''(6) With respect to fiscal year 2002,

''(A) for the discretionary category: $584,754,000,000 in new budget authority and $582,516,000,000 in outlays;

''(B) for the highway category: $26,655,000,000 in outlays; and

''(C) for the mass transit category: $5,384,000,000 in outlays;

''(7) With respect to fiscal year 2003,

''(A) for the discretionary category: $590,800,000,000 in new budget authority and $587,642,000,000 in outlays;

''(B) for the highway category: $27,041,000,000 in outlays; and

''(C) for the mass transit category: $6,124,000,000 in outlays;

''(8) With respect to fiscal year 2004, for the discretionary category: $604,319,000,000 in new budget authority and $634,039,000,000 in outlays;

''(9) With respect to fiscal year 2005, for the discretionary category: $616,496,000,000 in new budget authority and $653,530,000,000 in outlays;

''(10) With respect to fiscal year 2006, for the discretionary category: $630,722,000,000 in new budget authority and $671,530,000,000 in outlays;

''(11) With respect to fiscal year 2007, for the discretionary category: $644,525,000,000 in new budget authority and $687,532,000,000 in outlays;

''(12) With respect to fiscal year 2008, for the discretionary category: $663,611,000,000 in new budget authority and $704,534,000,000 in outlays; and

''(13) With respect to fiscal year 2009, for the discretionary category: $678,019,000,000 in new budget authority and $721,215,000,000 in outlays, ''as adjusted in strict conformance with subsection (b).

''With respect to fiscal year 2010 and each fiscal year thereafter, the term ''discretionary spending limit'' means, for the discretionary category, the baseline amount calculated pursuant to the requirements of Section 257(c), as adjusted in strict conformance with subsection (b).''.

SEC. 7. EXTENSION AND CLARIFICATION OF PAY-AS-YOU-GO REQUIREMENT.

Section 252 of the Balanced Budget And Emergency Deficit Control Act of 1985 is amended—

(a) in subsection (a), by striking ''October 1, 2002'' and inserting ''October 1, 2014'' and by adding ''or decreases the surplus'' after ''increases the deficit'';

(b)(1) in paragraph (1) of subsection (b), by striking ''October 1, 2002'' and inserting ''October 1, 2014'' and by adding ''or any net surplus decrease'' after ''any net deficit increase'';

(2) in paragraph (2) of subsection (b),

(i) in the header by adding ''or surplus decrease'' after ''deficit increase'';

(ii) in the matter before subparagraph (A), by adding ''or surplus'' after ''deficit''; and

(iii) in subparagraph (C), by adding ''or surplus'' after ''net deficit''; and

(3) in the header of subsection (c), by adding ''or surplus decrease'' after ''deficit increase''.

SEC. 8. EXTENSION OF BALANCED BUDGET AND EMERGENCY DEFICIT CONTROL ACT.—

Section 275(b) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by striking ''September 30, 2002' and inserting ''September 30, 2014'' and by striking ''September 30, 2006'' and inserting ''September 30, 2018''.

SEC. 9. EXTENSION OF SOCIAL SECURITY FIREWALL IN CONGRESSIONAL BUDGET ACT.—

Section 904(e) of the Congressional Budget Act of 1974 is amended by striking ''September 30, 2002'' and inserting ''September 30, 2014''.

SEC. 10. PROTECTION OF SOCIAL SECURITY INTEREST SAVINGS TRANSFERS.

(a) DEFINITION OF DEFICIT AND SURPLUS UNDER BUDGET ENFORCEMENT ACT.—Section 250(c) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended in paragraph (1) by adding '' 'surplus','' before ''and 'deficit' ''.

(b) REDUCTION OR REVERSAL OF SOCIAL SECURITY TRANSFERS NOT TO BE COUNTED AS PAY-AS-YOU-GO OFFSET.—Any legislation that would reduce, reverse or repeal the transfers to the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund made by Section 201(n) of the Social Security Act, as added by Section 3 of this Act, shall not be counted on the pay-as-you-go scorecard and shall not be included in any pay-as-you-go estimates made by the Congressional Budget Office or the Office of Management and Budget under Section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985.

(c) CONFORMING CHANGE.—Section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended, in paragraph (4) of subsection (d), by—

(1) striking ''and'' after subparagraph (A),

(2) striking the period after the subparagraph (B) and inserting ''; and'', and

(3) adding the following:

''(C) provisions that reduce, reverse or repeal transfers under Section 201(n) of the Social Security Act.''.

SEC. 11. CONFORMING CHANGES.

(a) REPORTS.—Section 254 of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended—

(1) in paragraph (3) of subsection (c)—

(A) in subparagraph (A), by adding ''or surplus'' after ''deficit'';

(B) in subparagraph (B), by adding ''or surplus'' after ''deficit''; and

(C) in subparagraph (C), by adding ''or surplus decrease'' after ''deficit increase'';

(2) in paragraph (4) of subsection (f), by adding ''or surplus'' after ''deficit''; and

(3) in subparagraph A of paragraph (2) of subsection (f), by striking ''2002'' and inserting ''2009''.

(b) ORDERS.—Section 258A(a) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended in the first sentence by adding ''or increase the surplus'' after ''deficit''.

(c) PROCESS.—Section 258(C)(a) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended—

(1) in paragraph (2), by adding ''or surplus increase'' after ''deficit reduction'';

(2) in paragraph (3), by adding ''or increase in the surplus'' after ''reduction in the deficit''; and

(3) in paragraph (4), by adding ''or surplus increase'' after ''deficit reduction''.

THE WHITE HOUSE,
OFFICE OF THE PRESS SECRETARY,
October 26, 1999.

To the Congress of the United States:

I transmit herewith for your immediate consideration a legislative proposal entitled the ''Strengthen Social Security and Medicare Act of 1999.''

The Social Security system is one of the cornerstones of American national policy and together with the additional protections afforded by the Medicare system, has helped provide retirement security for millions of Americans over the last 60 years. However, the long-term solvency of the Social Security and Medicare trust funds is not guaranteed. The Social Security trust fund is currently expected to become insolvent starting in 2034 as the number of retired workers doubles. The Medicare system also faces significant financial shortfalls, with the Hospital Insurance Trust Fund projected to become exhausted in 2015. We need to take additional steps to strengthen Social Security and Medicare for future generations of Americans.

In addition to preserving Social Security and Medicare, the Congress and the President have a responsibility to future generations to reduce the debt held by the public. Paying down the debt will produce substantial interest savings, and this legislation proposes to devote these entirely to Social Security after 2010. At the same time, by contributing to the growth of the overall economy debt reduction will improve the Government's ability to fulfill its responsibilities and to face future challenges, including preserving and strengthening Social Security and Medicare.

The enclosed bill would help achieve these goals by devoting the entire Social Security surpluses to debt reduction, extending the solvency of Social Security to 2050, protecting Social Security and Medicare funds in the budget process, reserving one-third of the non-Social Security surplus to strengthen and modernize Medicare, and paying down the debt by 2015. It is clear and straightforward legislation that would strengthen and preserve Social Security and Medicare for our children and grandchildren. The bill would:

Extend the life of Social Security from 2034 to 2050 by reinvesting the interest savings from the debt reduction resulting from Social Security surpluses.

Establish a Medicare surplus reserve equal to one-third of any on-budget surplus for the total of the period of fiscal years 2000 through 2009 to strengthen and modernize Medicare.

Add a further protection for Social Security and Medicare by extending the budget enforcement rules that have provided the foundation for our fiscal discipline, including the discretionary caps and pay-as-you-go budget rules.

I urge the prompt and favorable consideration of this proposal.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *October 26, 1999.*